



A Decade of Helping Civil Society Fight Corruption in the Philippines: *Results and Lessons*

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A Decade of Helping Civil Society Fight Corruption in the Philippines: Results and Lessons

by Jeffery Gutman and Vinay Bhargava³



Highlights of the Report

This Report details the results and lessons of a decade long (2003-2013) Partnership for Transparency Fund (www.ptfund.org) support to Filipino civil society organizations to fight corruption. It celebrates the successes and reflects on challenges faced as PTF enters a new phase in its partnership. In 2014 PTF established a regional affiliate called PTF Asia as a foundation headquartered in Manila. As efforts worldwide and in the Philippines have evolved during these ten years, the discussion in this Report offers lessons in going forward towards this new phase as well as initiatives beyond the Philippines.

The various initiatives also provided many lessons of the do's and don'ts of such efforts. As the program evolves, continuous learning is incorporated. The case studies attempt to depict a balanced view on the strengths and weaknesses of each program. A number of crosscutting lessons for defining critical pre-conditions for an initiative are likewise illustrated in the Report. But the Report stresses that the most persistent and difficult challenge relates to the sustainability of such efforts. Both the need to maintain momentum and active participation among volunteers beyond an initial phase present serious risks. Moreover, the search for sustainable and dependable funding for a longer term threatens the sustainability of all cases.

In this Report, the PTF program in the Philippines is divided into three phases: One-on-One Partnerships (Pre-country Program 2003-2007), Country Program (2007-2012) and Post-country Program (2013-2015).

At the heart of PTF's theory of change is the belief that citizen action will always be an essential complement to government action in improving service delivery and development outcomes. Information campaigns are likewise an imperative to promote appropriate knowledge, attitudes, behaviors and practices of citizens regarding entitlements assumed by those who wield power. To this end, PTF supports citizen groups that coalesce to demand accountability and good governance and to carry out collective action activities vital in promoting transparency and better governance. Consequently, this alliance stimulates the organization of citizen-led monitoring and

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evaluation of government performance and an active reporting of anomalous results to the authorities and media. An active and engaged citizenry in turn leads to increased responsiveness of government service providers; such public pressure in fact triggers constructive engagement between CSOs and public authorities. In so doing CSOs do their share of monitoring government responsiveness. Sharing the results with the community are assumed to contribute to better outcomes of development programs and projects while nurturing a better-informed and active citizenry and a more responsive government.

Most significant among the outcomes of the PTF projects are as follows:

- (1) Improved Provision of Public Services. The most paramount result area for social accountability programs such as PTF in the Philippines is improvement in access to and quality of public service delivery. To a certain extent, the projects and programs carried out by the PTF partner CSOs were seen to have improved service delivery in education, health, water, social safety net program (CCT), and public expenditure programs.
- (2) Increased Responsiveness of Public Officials. Indeed, most PTF projects were documented to have contributed positively in increased responsiveness on the part of public officials. In the case of the Department of Agriculture in Region VII for example, the PTF Program was meant to ensure that the Department delivered its support services in a timely and efficient manner and of a quality that was acceptable to farmers, the agency's main beneficiaries. These support services included the provision of roads, post-harvest facilities, irrigation facilities, marketing facilities, and support of LEAD projects. After being presented with the monitoring results, the DA responded by saying that the findings would help improve their implementation of programs in support of farmers.
- (3) Reduced Corruption and Waste. This result area is central to the PTF program in the Philippines. Community monitoring and exposure of government corrupt practices and inefficiencies have helped reduce crevices in services and to some extent have helped authorities to address the problems. This combination of diagnostics and constructive engagement with authorities in finding solutions to problems is a unique feature of the PTF projects.
- (4) Empowered Citizens and Communities. Perhaps one of the keys to engendering active citizens is for the CSOs to provide information and training to citizens (especially the volunteers) to enable them to become actively involved in doing development work. Capable, informed and active citizens are able to engage with public officials and express their voice on matters that affect them. Although not occurring in all cases, in most cases, citizen engagements have resulted in increased responsiveness by the authorities to citizen voices. PTF's CSO partners have mobilized and trained volunteers, who became instrumental in generating significant improvements in provision of public goods.
- (5) Knowledge Sharing. Citizen engagement and social accountability are relatively new frontiers of development practice, and the knowledge of what works and how, impacts and results is still being developed. There is a huge demand for such knowledge products. The PTF partners have, as matter of policy, generously shared their

experiences and how-to tools with not only the Philippine partners, but with the global community using digital and print media.

- (6) Better Policies and Governance. The work done by PTF partners exposed a number of systemic weaknesses in government policies and procedures and shared these with the authorities. This Report provided a glimpse of how engagements by citizens in such policies contributed to better rules and procedures that were later accepted and institutionalized in government systems. Such was a testimony to effectiveness of citizen engagement and a valuable and sustainable contribution of the PTF projects.
- (7) Value for Money. PTF partners delivered good value for money granted to them. From example the amount of money saved from citizen monitoring on drugs and hospital materials procurement would have a rate of return estimated at higher than 1,000%. Also, through diligent monitoring of the Conditional Cash Transfer (CCT) Funds nationwide by PTF may have saved millions of pesos of program funds considering a budget of PhP 39 million for the CCT Program in 2012. CSO Participation in vehicle procurement and the institutionalization of regulations and policies to better manage the use of government vehicles and sale of gasoline may be difficult to quantify in monetary terms but surely this has curbed tendencies towards abuse and loss of substantial public funds. Setting up a model Philippine Procurement Network (P2N) in an effort to strengthen the Bids and Awards Committee Observers (BACO) indeed shall have saved the government hefty amounts of losses due to corruption in the procurement processes in government. In the agriculture sector, monitoring government spending and ensuring judicious expenditures for agricultural services in the Central Visayas region making sure money is spent for their intended purpose, i.e., for the farmers, the government officials involved became committed to set up a project monitoring team to evaluate the status of their projects. Infrastructure like public roads and hospitals could be potential sources of corruption and irregularities in government procurement and spending but CSOs have monitored these and documented processes, sharing with concerned authorities what the gaps have been, calling their attention on possible breaches.

In terms of important lessons learned, G-Watch's narrative relevant to common challenges and issues confronting anti-corruption efforts in civil society may well have captured succinctly substantive knowledge that must be shared in curbing corruption. First is the fact that joint and constructive effort between government and civil society was shown to produce concrete results, such that a Memorandum of Agreement (MoA) was entered into among all key actors specifying the responsibilities of all actors involved. This is a constructive approach that ensures civil society's access to critical information and a dialogue with authorities who would be more inclined to be responsive as they were involved right from the start.

Second was that success tended to follow a preventive approach. Since G-Watch clarified the adoption of standards at the outset, this has clarified monitoring bases for tracing the direction of service delivery implementation. As well, a quick feedback mechanism was integrated into the system for immediate remedy of deviations detected during the course of monitoring. CSO participation was intended to supplement, not hamper government monitoring systems. Such participation needs to be sustained.

Third, a community-based monitoring approach involving beneficiaries as monitors is strategically important to address two things: Scale and Empowerment. The key to this is utilizing beneficiaries and communities at the local level, while mobilizing national- and regional-based CSOs to cover other areas of service delivery such as procurement and warehouse inspection, among others. Volunteers, as proven by the project, can be mobilized in early phases and motivated by visible efforts. Sustainability, in the monitoring initiatives spearheaded by G-Watch, is premised in the spirit of volunteerism.

Fourth, citizen monitoring is more effective when easy-to-use tools are used. G-Watch introduced checklists with clear points for monitors to assess what they should be looking for. It provides the necessary space to jot down actual observations and all details required to support the observations made.

Fifth is PTF's belief that evidence-based advocacy works. G-Watch used evidence and data by citizen monitors for continuous advocacy, recommending reforms, and soliciting a public sector response that addresses shortcomings.

Lastly, on the role of social intermediary. G-Watch played a key leadership and catalytic role in mobilizing, building capacity, coordinating and followed up community-based monitors. This illustrates the need for a capable social intermediary to serve as coordinating body that will enable monitors to carry out monitoring activities. Although the spirit of volunteerism is important for community/citizen monitoring, it needs to be supported by funding for social intermediary (usually CSOs or Community Based Organizations) to sustain coordination, aid in the preparation of reports, capacity building activities and, as noted above, to meet out-of pocket expenses of volunteers.

However, sustainability of CSO monitoring efforts is still of prime concern. A major source of optimism though is that the proverbial seed has been sown, and the journey started on constructive engagement. The search for funding to continue civil society role in government procurement and expenditure monitoring to improve transparency and accountability of textbook deliveries and other school activities continues. With this Report, we find evidence and sources of inspiration that indeed there can be hope in curbing corruption in the Philippine bureaucracy. PTF experience has shown that such civil society role is needed on a continuing basis to complement (not substitute) the government role. Lessons learned by the other PTF partners are of course not less significant. Readers are invited to read through the following cases to appreciate the partners' experiences:

- Ensuring effective procurement and timely distribution of textbooks under the Department of Education (CSO: G-Watch);
- Improving Integrity of drugs procurement and delivery in department of health. (CSO: NAMFREL);
- Exposing misuse of officials vehicles by government officials by government officials in Mindanao (CSO: Ecolink);
- Strengthening Local Mechanisms for Effective Civil Society Organizations Participation in Procurement Processes (CSO: EBJFI);

- The Conditional Cash Transfer Program Watch Project (CSO: CCAGG);
- Participatory monitoring for barangay infrastructure and health projects in the province of Isabela (CSO: InciteGov);
- Harnessing multi-stakeholder efforts to promote and improve transparency and accountability in helping Department of Agriculture-Region 7 (CSO: PhilDHRRRA).

Acronyms

4Ps	Conditional Cash Transfer Program
ACT	Anti-Corruption and Transparency Project
ADB	Asian Development Bank
ASoG	Ateneo School of Government
AusAID	Australian Agency for International Development
BAC	Bids and Awards Committee
BACO	Bids and Awards Committee Observers
BBC	Bishops-Businessmen's Conference
CAC	Coalition Against Corruption
CCAGG	Concerned Citizens of Abra for Good Government
CCT	Conditional Cash Transfer
CHD	Center for Health Development
CODE NGO	Caucus of Development NGO Networks
CSO	Civil Society Organization
DA	Department of Agriculture
DFID-GTF	Department of International Development's Governance and Transparency Fund
DGF	Development Grants Facility
DepEd	Department of Education
DOH	Department of Health
DPTCG	Davao Procurement Transparency Core Group
EBJFI	Evelio B. Javier Foundation, Inc.
Ecolink	Environmental Cooperation and Linkages Inc.
G-Watch	Government Watch
GPRA	Government Procurement Reform Act 9184
GPSA	Global Partnership for Social Accountability
INCITE Gov	International Center for Innovation, Transformation, and Excellence in Governance
KARSA	Kalinga Apayao Religious Sector Association
LGU	Local Government Unit
MBC	Makati Business Club
MMP	Medicine Monitoring Project
NAMFREL	National Movement for Free Elections
NABCOR	National Agribusiness Corporation
NGO	Nongovernment Organization
NLCGG	Northern Luzon Coalition of Good Government
P2N	Philippine Procurement Network
PAJDGG	People's Alliance for Justice, Democracy and Good Governance
PIB	Provincial Integrity Board
PCR	Project Completion Report
PCSDI	Philippine Center for Sustainable Development Inc.
PhilDHRRA	Philippine Partnership for Development of Human Resources in Rural Areas
PTF	Partnership for Transparency Fund
RECITE	Responsible Citizens, Empowered Communities and Solidarity for Social Change, Inc.
RH	Retained Hospital
RHU	Rural Health Units
RIRR	Revised Implementing Rules and Regulations
TAN	Transparency and Accountability Network
TANCSDI	Transparency and Accountability Network of Civil Society in Dapitan, Inc.

PART I: Overview

1

Chapter 1: Introduction

This paper details the results and lessons of a decade long (2003-2013) Partnership for Transparency Fund (www.ptfund.org) support to Filipino civil society organizations (CSOs) to fight corruption. It celebrates the successes and reflects on challenges faced as PTF enters a new phase in its partnership. In 2014, PTF established a regional affiliate called PTF Asia as a foundation, with headquarters located in Manila. As efforts worldwide and in the Philippines have evolved during these ten years, the following discussion offers lessons going forward this new phase as well as for initiatives beyond the Philippines.

The structure of the report begins with Chapter 2 describing the overall story of PTF's philosophy and the history of its operations in the Philippines. Chapter 3 is a summary of the more significant results and outcomes of seven specific programs where Filipino CSOs, funded by PTF, assisted citizens to fight corruption. These serve as case studies illustrated in this report, details of which are discussed in the last chapter. The case studies are as follows:

- Ensuring effective procurement and timely distribution of textbooks under the Department of Education (CSO: G-Watch);
- Improving Integrity of drugs procurement and delivery in department of health. (CSO: NAMFREL);
- Exposing misuse of officials vehicles by government officials by government officials in Mindanao (CSO: Ecolink);
- Strengthening Local Mechanisms for Effective Civil Society Organizations Participation in Procurement Processes (CSO:EBJFI);
- The Conditional Cash Transfer Program Watch Project (CSO: CCAGG);
- Participatory monitoring for barangay infrastructure and health projects in the province of Isabela (CSO: InciteGov);

- Harnessing multi-stakeholder efforts to promote and improve transparency and accountability in helping Department of Agriculture-Region 7 (CSO: PhilDHRRA).

Chapter 4 then analyzes what worked and what did not, and the lessons going forward for the Philippines and elsewhere. It is intended to help in the design and implementation of programs for citizen engagement to improve government performance and accountability.

Chapter 5 gives a detailed account of the seven case studies reviewed in this report. These cases represent a cross-section of types of initiatives executed in Philippines and a range of civil society organizations during the 2003-2013 periods, which include:

Helping Department of Education Improve Procurement and Distribution of Textbooks. A six years project implemented by G-Watch program of the Ateneo School of Government (ASG), the Ateneo de Manila University.

A Monitoring Program to Help Improve Integrity of Procurement and Delivery of Medicines in the Department of Health. This four-year project was implemented by NAMFREL-The National Citizen's Movement for Free Elections.

Monitoring Uses and Abuses of Government Vehicles in City of Oroquieta, Mindanao. Environmental Cooperation and Linkages Inc. (ECOLINK) implemented this two-year project.

Strengthening Local Mechanisms for Effective Civil Society Organizations Participation in Procurement Processes. The Evelio B. Javier Foundation, (EBJFI) implemented this project in Davao del Sur and Cebu.

The Conditional Cash Transfer Program Watch Project (CCT) in Abra Province. The Concerned Citizens of Abra for Good Government (CCAGG) implemented this one-year project. The project has been scaled up to cover Northern Luzon for the period 2014-17 with funding from Global Partnership for Social Accountability (GPSA), the World Bank.

Participatory Monitoring of Barangay Infrastructure and Health Projects in the Province of Isabela. INCITEGov, an NGO based in ---- implemented this one-year project.

Harnessing Multi-stakeholder Efforts to Promote Transparency and Accountability in the Department of Agriculture –Region 7. PhilDHRRA-the Philippine Partnership for the Development of Human Resources in Rural Areas for the Visayas Region implemented this [two-year] project.

Results of the seven PTF funded projects, described in detail in the report and case studies, are categorized according to 7 separate but interrelated areas that are shown in the table below and summarized below.

Table 1. Results Area for Each Project Participant

Result Area	G-Watch	Namfrel	Ecolink	EBJFI	CCAGG	INCITE Gov	PhilDHRA
Improved provision of public services	X	X			X		
Increased responsiveness of public officials	X	X	X	X	X	X	X
Reduced corruption and waste	X	X	X	X	X		X
Empowered Citizens and Communities	X	X	X	X	X	X	X
Knowledge Sharing	X	X	X	X	X	X	X
Better Policies and Governance	X	X	X	X	X	X	X
Value for Money	X	X	X	X	X	X	X

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Chapter 2: PTF Operations in the Philippines

The fight against deep-rooted and pervasive corruption in the Philippines dates back to the people's movement that forced President Ferdinand Marcos out of power in 1986. The Philippines has an extensive set of anti-corruption laws and accountability institutions. The new constitution provides the basis for many of the current independent institutions of accountability and separation of powers between the three branches of government (executive, legislative and judicial). The Philippines has a vibrant media and civil society. It has competitive electoral processes and extensive functional and fiscal decentralization. While there is a plethora of anticorruption laws, implementation and enforcement capacities are weak. A number of high-profile cases involving large-scale corruption have surfaced in last two decades and underscore the need for the fight to continue.

In recent years several studies such as that of Johnston (2010, cited by AIM 2011) have analyzed corruption in the country⁴ and provided evidence of its widespread nature and colossal damage to society. These studies also point to the important role that CSOs can play in not only strengthening the general demand for good governance but also in addressing specific instances of corruption. The opportunities for citizens and CSOs to constructively engage with the state to make a difference in the fight against corruption in the Philippines caught the attention of many, including a small international nongovernment organization (NGO) named Partnership for Transparency Fund (PTF). PTF made its first grants to Filipino NGOs in 2003 and continues to support them over a decade later in the crusade for good governance and anti-corruption.

The civil society landscape in the Philippines is diverse, ranging from community-based organizations that primarily address local concerns to highly sophisticated service and advocacy groups centered in Manila. These groups are generally more politically engaged than CSOs elsewhere and, after Marcos' departure, benefited from a policy environment that has been generally tolerant, if not supportive of the growth and flourishing of CSOs, especially nongovernment organizations. A striking feature of Filipino civil society is the large number of networks that link central and local organizations. CODE-NGO, Bishops-Businessmen's Conference (BBC), the Coalition Against Corruption (CAC) and the Transparency and

⁴ For example, see Johnston, Michael. (2010). *Political and Social Foundations for Reform: Anti-Corruption Strategies for the Philippines*. Manila: Asian Institute of Management (AIM); Transparency and Accountability Network (TAN) (2011). *Corruption and Anti-Corruption in the Philippines*. Manila: TAN.

Accountability Network (TAN) are good examples of CSOs that have such central-local network linkages. The networks play several roles: they serve to make smaller, provincial CSOs familiar with social accountability tools; they help with sharing experience about what works and what does not; and, donors often use them to channel funds to the smaller CSOs whom they find difficult to access directly.

PTF in a Nutshell

PTF was established in 2000 with the goal of helping citizens to fight corruption and meet citizen demand for good governance. PTF believes that greater accountability, responsiveness to citizens, and transparent public activities are critical to achieving participatory governance and improved development outcomes. PTF envisions societies where citizens succeed in making their government free of corruption.

The Partnership for Transparency Fund (PTF) mobilizes expertise and resources to provide advice and small grants to civil society organizations to engage citizens in actions to remove corruption in the public sector. PTF strives to support innovative approaches, learn from its work and share the knowledge gained.

PTF views CSOs as important innovators, agenda-setters, mobilizers, and monitors in achieving this vision. They have an important role to play in the development of anti-corruption and good governance programs, and can play this role more effectively if they are independent, financially, from government or direct bilateral or multilateral funding. This is where PTF adds value to the process. Through technical and financial support, PTF empowers Civil Society Organizations (CSOs) to play an effective role in the design, implementation and monitoring of anti-corruption activities. Our goal is to work with CSOs to pilot new mechanisms and approaches to improve transparency and accountability of public agencies.

PTF Approach

The PTF model is unique. It is an organization of senior, highly experienced volunteer governance specialists retired from various development institutions, NGOs and Government Agencies. It recognizes that for civil society to play a key role in holding governments accountable to their public, CSOs must be financially independent both from government and from other vested interests, including major donors.

PTF makes small grants (\$25,000 – \$40,000) to organizations for projects that are results-oriented, time-bound (typically 12-18 months) and evaluated on completion. PTF will only support projects that (1) will have a direct and sustainable impact on reducing corruption, (2) as far as possible have a measurable and sustainable outcome, and (3) involve direct interaction with public agencies. The latter is important. Anti-corruption campaigns work best when targeting an *environment* of corruption rather than the wrong doings of individual public actors. We seek to encourage innovative projects that pilot new and replicable anti-corruption tools in country specific contexts that can foster buy-in from government officials, offices and agencies.

PTF's advisers work with CSO grantees on project design and grant management as well as on providing general coaching and mentoring. Adviser support throughout a project's life cycle helps to build strong bonds with grantees and often allows for the continuation of successful endeavors, ushering in additional project phases and bolstering the organization's impact.

PTF believes that:

- Corruption is the central problem facing developing countries such as the Philippines, reflected in its poor governance and affecting economic and social development in ways that impact the poor most severely; and
- Anti-corruption campaigns work best when targeting an *environment* of corruption rather than the wrong doings of individual public actors. To this end PTF does not support groups who wish to "name and shame" corrupt politicians or bureaucrats. PTF focuses on promoting systemic reforms that aim to reduce the opportunities for corruption, encouraging to develop partnerships with public agencies rather than adopt a confrontational approach.

The **PTF theory of change** is that citizen action is an essential complement to government action in improving service delivery and development outcomes. It starts by working to promote appropriate knowledge, attitudes, behaviors and practices of citizens through **information campaigns** on awareness and entitlements. PTF supports citizen groups in turn to demand accountability and good governance and to carry out **collective action activities** aimed at promoting transparency and better governance; this leads to organization of citizen-led **monitoring and evaluation** of government performance and reporting the results to the authorities and media, which in turn leads to increased responsiveness of government service providers through public pressure and **constructive engagement** between CSOs and public authorities. CSOs monitor government responsiveness and **share results** with the community. This leads to better outcomes through a better-informed and active citizenry and a more responsive government.

PTF monitors and evaluates the projects it supports. In addition to a technical and financial appraisal of the projects it funds, PTF carries out an organizational assessment of the CSO involved to evaluate integrity and implementation capacity. It assigns a volunteer adviser for each project to provide technical advice to the CSO. Each grantee is required to submit semi-annual progress reports and an annual audit of project receipts and expenditures along with its statutory audit report. Where funding permits, PTF Advisers and/or its local partners make a field visit. Upon completion of the project, the grantee submits a Project Completion Report (PCR) that is made public through the PTF's and CSO's websites. In addition, PTF commissions an independent evaluation of the program as required by the donor who has provided the grant funds to PTF. The program evaluations are posted on the PTF website.

Several of the PTF grants in the Philippines during the period 2003-2012 were sourced from the World Bank's Development Grants Facility (DGF) as well as the United Kingdom -Department of International Development's (DFID's) Governance and Transparency Fund (GTF). Independent evaluations of the World Bank-DGF and DFID- GTF grants to the PTF were carried out in 2013 and are available on the PTF website. The PTF program in the Philippines was also analysed and results and lessons were presented in a recent book published by the PTF. The book is entitled

Citizens Against Corruption: Report from the Front Lines by Pierre Landell-Mills founder and President of the PTF 2001-2010.

Evolution of PTF program in the Philippines

The PTF program in the Philippines may be divided into three phases: One-on-One Partnerships (Pre-country Program 2003-2007), Country Program (2007-2012) and Post-country Program (2013-2015).

Pre-Country Program: During this period PTF financed six grants to four different CSOs. Except for the repeat grants to G-Watch, PTF essentially responded to ad hoc requests for support.

Country Program: With the growing operations in the Philippines, PTF deemed that a country program is essential and sought a partnership with a local organization. PTF found a strong partner in the Makati Business Club (MBC). Covering the premier business district of the country, MBC is considered to be the most influential business group in the country. When survey after survey among MBC members showed that corruption is a significant hindrance to doing business, MBC decided to get involved by launching the Coalition against Corruption to channel its efforts in combating corruption.⁵ In early 2008, PTF signed an agreement with the Makati Business Club to manage a country program.

There was valuable complementarity in PTF and MBC partnership that covered 2008 until 2013. The partnership effectively combined strengths of the two entities. MBC has a strong local reputation, important links to key local enterprises, and a clearly expressed determination to fight corruption, as well as invaluable local knowledge and contacts. PTF brings to the partnership its global knowledge of the anti-corruption initiatives and a network of experienced experts in anti-corruption work. PTF-MBC partnership financed 16 projects over four years.

Post-Country Program (2012 - present) PTF was awarded grants for the Philippine program from AusAID in 2012 and from ADB in 2013, both for \$200,000. Both grants are under implementation (see Chapter 3). A third grant of \$800,000 has been approved by Global Partnership for Social Accountability (GPSA) to PTF partner Concerned Citizens of Abra for Good Government (CCAGG) and PTF is serving as a knowledge and learning adviser to CCAGG. Implementation of this grant is about to begin and will extend until 2017.

In 2013 PTF decided to explore possibility of establishing an affiliate in the Philippines to serve as a PTF regional hub for Asia. In 2014 PTFA has been registered as a foundation with the Securities and Exchange Commission of the Philippines and is due to commence operations soon. Initially much of PTFA time and energy will be devoted to set itself up and start managing the AusAID, ADB and GPSA grants. Next it will start to look for opportunities to bid for new projects.

Strategy for Scaling Up

⁵The Coalition Against Corruption (CAC) is an alliance of 11 organizations with regional networks, such as CODE-NGO, Bishops-Businessmen's Conference and Transparency and Accountability Network.

As a result of a deliberate policy to *go beyond the Manila area*, 18 of the 27 grants were extended to CSOs spread over the northern, central and southern parts of the country while only 9 grants were made to Manila-based CSOs (albeit with much of the actual work outside Manila).

Repeat grants are another feature of the program. Four CSOs account for 16 of the 27 Philippines projects (See Table 1 below): G-Watch, Ecolink (PCDSI), CCAGG, and NAMFREL. This reflects the priority PTF has given to sustaining the achievements of a successful project by giving follow-up support and working with partners of proven experience. A good example of this is the Textbook Count Program that was supported with six grants over the period 2003-2011.

Table 2. PTF Funded Projects in the Philippines (2003-2013).

CSO (Year Approved)	Project	Grant US\$
1. PWI (2003)	Monitoring Local Government Procurement	8,200
2. ASG (2003)	Textbook distribution	24,727
3. G-Watch (2003)	Textbook distribution	24,000
4. G-Watch (2005)	Tracking the Distribution of School Textbooks	29,472
5. G-Watch (2005)	Masters Level Training in Journalism	25,300
6. G-Watch (2006)	Textbook Count 4	22,555
7. ECOLINK (2006)	Local Government Vehicle Use Monitoring	16,500
8. TOBSPA (2007)	Philippines Boy Scouts Governance Camp	19,660
9. INCITE (2008)	Government Participatory Monitoring in Isabela Province	25,069
10. NAMFREL (2008)	Drug Monitoring	23,296
11. Ateneo University (2008)	G-Watch: Institutionalizing the Capacity Building of CSO Procurement Observers	27,500
12. ECOLINK (2008)	Monitoring Government's Education and Highways Departments	27,500
13. EBJFI (2009)	Strengthening Local Participation in Procurement Process (EBJ Foundation)	21,508
14. ECOLINK (2009)	Monitoring SK Funds and Functionality	29,228
15. CCAGG (2009)	Abra Water and Irrigation Systems Watch	24,775
16. BBC (2010)	Replication of BBC Government Procurement Monitoring Mechanism	33,405
17. NAMFREL (2010)	Monitoring Medicines	35,425
18. G-Watch (2010)	Localization of the Project Procurement	30,475
19. PhilDHRRA (2010)	Bantay Agri Tayo (Let's Watch Agriculture)	30,194
20. ECOLINK (2011)	SK Watch Exit Plan	29,799
21. NLCGG (2011)	Participatory Local Governance in Northern Luzon	39,500
22. ECOLINK (2011)	Bantay Red Plate	39,500
23. CCAGG (2011)	The Conditional Cash Transfer Program	35,500
24. G-Watch (2011)	Combatting Corruption Through School-based Monitoring of Education Services in the Philippines	35,045
25. KARSa (2013)	Strengthening Local Capacities in Good Governance	8,600
26. RECITE (2013)	Applied Social Accountability at the Community Level	14,000

27. CCAGG (2013)	Transparency Initiative for Good Governance	11,050
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Source: PTF Website: www.ptfund.org

An important selection criterion for projects in the Philippines has been the *potential for replication*. However, there are challenges in actually achieving greater scale in a timely manner. For example, the first Vehicle Monitoring Project covered one city, the second covered three cities and a third project was proposed to cover 20 cities. Set against a total of hundreds of cities around the Philippines progress would have been too slow. Ecolink and PTF therefore entered into an agreement with the Department of Interior and Local Government to scale up the vehicle monitoring initiative much more rapidly, and as a result PTF is now funding a project covering 100 municipalities. Similarly, despite its modest name, the SK Watch Exit Project approved in 2011 is an attempt to scale up rapidly the good results achieved under the first project. This is an example of small-scale local initiatives that could spark greater changes across the country.

Beyond the findings, results and lessons of individual projects are the synergistic effects across projects. Twelve of the projects had the **monitoring of government procurement** as their core activity although several moved beyond procurement to also watch aspects of contract implementation (such as the delivery of books or medicines to schools and health centers). The focus on procurement was driven by the facts that: the legal and institutional framework for public procurement is generally satisfactory; and, the Government Procurement Reform Act of 2003 greatly enhanced transparency in procurement and provided the opportunity for civil society to observe procurement meetings. The mechanism that has evolved in the Philippines, partly in response to PTF projects, is the creation of the Philippine Procurement Network or P2N as it is known for short. P2N aims to become a consortium of civil society organizations that will support the many existing procurement-monitoring efforts around the country by creating a reliable and independent network of procurement observers in each of the Philippines' 80 provinces.

All public procurement projects follow a similar approach. Volunteers are recruited who are given basic training in procurement. The volunteers are then expected to attend meetings of the Bids and Awards Committees of the local or national government and to report on any irregularities. These findings are reported to the government agency concerned together with recommendations for corrective actions. The aim of all this is to bring about both systemic and behavioral changes in the public sector that will reduce the risk of corruption in the future. These public procurement projects all face similar challenges: developing training materials, mobilizing, retaining and motivating volunteers, and ensuring that monitors' findings lead to systemic reform. But the overall potential through this multi-project effort lays a credible groundwork for sustainability and continued impact.

3

Chapter 3: Results and Outcomes of PTF Initiatives in Philippines

The theory of change that underpins the PTF efforts described above can be summarized through the following five points:

- As awareness of an issue is increased citizen volunteers/activists are mobilized and trained.
- Informed, capable and activist citizens monitor access and quality of service delivery (including leakages due to corruption and waste) and share collected performance evidence with service providers and media/public.
- Service providers and policy makers respond to constructive engagement to improve services.
- Citizen activists monitor change in services and share the data regarding change with all stakeholders. Positive change reinforces this virtuous cycle and brings about further improvements.
- Development results and effectiveness are improved

The results of the various PTF initiatives in Philippines are thus categorized according to seven separate but interrelated areas that are discussed below. Each of the projects contributed results in each of the category. Some examples are highlighted below.

Results Area #1: Improved Provision of Public Services

The most paramount result area for social accountability programs such as the PTF program in the Philippines is improvement in access to and quality of public service delivery. The projects and programs carried out by the PTF partner CSOs has improved service delivery in education,

health, water, social safety net program (CCT), and public expenditure programs. Here is a summary of improved service delivery results:

- Under the G-Watch seven-year textbook and school monitoring program with the Department of Education (DepEd):
 - The textbook publishers raised the quality of their book paper to the standard 70 grams per square meter from 54 grams. Also, DepEd reported that the average shelf life of textbooks had risen to four or five years by 2007 from two years prior to 2002;
 - The time for a complete textbook cycle, from bidding to delivery, had shrunk by 50%, to 12 months. G-Watch reported an average of 95% accurate deliveries by the end of 2003;
 - Delivery of books to remote school locations improved from around 30% to 100% using the innovative program involving Coca Cola and Boy and Girl Scouts.
- Following the NAMFREL four-year medicines monitoring program with DOH, pharmaceutical products are now more accessible, particularly for the poor and vulnerable, at the hospital level as compared to the past. Medicines were delivered on time in right quantity in 28 hospitals and clinics thus making better the lives of thousands of persons. Other key service delivery improvements under the program were:
 - ***Complete and efficient delivery.*** The deliveries of US\$7 M worth of essential medicines to hospitals were monitored to check that these were done according to contract specifications and within the specified time frame.
 - ***Timely allocation and distribution.*** Over US\$ 4 M worth of medicines were allocated to and received by the intended hospital beneficiaries.
 - ***Improvement and expansion of hospitals' warehouses and storages.*** The observation reports of NAMFREL volunteers were used in establishing DOH's Warehouse Improvement Program.
- CCAGG- CCT monitoring identified 60 households in the project area that should not have been receiving benefits, as they did not meet eligibility criteria. At an average benefit of a P1,400 per month basis, the total leakage would have been P4.2 million. This leakage was stopped due to the monitoring.

CCAGG program to improve integrity of Conditional Cash Transfer program (CCTP) resulted in inclusion of 1,500 families in the beneficiaries list. In addition time taken for cash grants to reach beneficiaries was reduced and household compliance with CCT conditions improved ensuring that the children and mother stay healthy and children attend schools.

Results Area #2: Increased Responsiveness of Public Officials

PTF policies require that all CSO partners pursue constructive engagement with authorities in their work. The underlying reason for this policy is the expectation that public officials will respond positively due to potential reputational gains or the fear of potential sanctions via media or accountability institutions/mechanisms. Indeed, most PTF projects succeeded in increased responsiveness. For example:

- Most of the programs (G-Watch, NAMFREL, INCITEGov, PHILDHRRRA) identified reform champions in their counterpart government departments and signed a memorandum of understanding to establish constructive engagement parameters.

In particular the G-Watch and NAMFREL programs required continuous communications and collaboration between their respective staff.

- CCAGG-CCT- conducted meetings and dialogues with government officials regarding its project results. It also shared its findings in broader fora organized to discuss the CCTP. Official response to the engagement was positive and brought about improvements noted above.
- INCITEGov's involvement in the monitoring of barangay infrastructure (*Ugnayang Bayan*) projects and the procurement of medicines by public hospitals in the province made barangay and health officials better aware of their responsibility to the public. For barangay officials, it was to follow proper implementation procedures and proper standards in the building of facilities such roads and community centers; for health officials, it was to deliver medicines to patients in a timely manner through proper planning in purchases.
- ECOLINK's monitoring of the use of public vehicles and the public's participation in that effort led local officials to take specific measures to ensure more efficient use of the funds appropriated for the utilization and maintenance of official vehicles and to prevent future misuse or personal use of official vehicles. In some cases, punitive actions were taken against erring officials. Officials also began to welcome CSO participation in the processes of the local government's BACs.
- When the EBJFI made known to local government procurement entities of the establishment of the two BACO networks, it was deluged with invitations from these entities for observers. This overwhelming response forced EBJFIII and its local partners to take steps to maximize their limited resource of observers by prioritizing the procurement agencies they would monitor.
- PhilDHRRRA's monitoring of the activities of the Department of Agriculture (DA) in the Visayas region was meant to ensure that the Department delivered its support services in a timely and efficient manner and of a quality that was acceptable to farmers, the agency's main beneficiaries. These support services included the provision of roads, post-harvest facilities, irrigation facilities, marketing facilities (*Barangay Bagsakan*), and support of LEAD projects. After being presented with the monitoring results, the DA responded by saying that the findings would help improve their implementation of programs in support of farmers. DA officials also said that they would have preferred if PhilDHRRRA had monitored all 2009 funded budgets.

Results Area # 3: Reduced Corruption and Waste

This result area is central to the PTF program in the Philippines. All projects aimed at assessing and reducing inefficiencies and corruption in the focus area. The expectation was that community monitoring will lead to exposure of corrupt practices and inefficiencies, use this evidence to push for actions to reduce leakage and then help authorities to address the problems. This combination of diagnostics and constructive engagement with authorities to do something about the problems is a unique feature of the PTF projects. Many others simply focus on diagnostics. Examples of what PTF partners achieved in this result area are as follows:

- A study by G-Watch program documented the problems of corruption and waste in textbook procurement and distribution that then led to the MOU on monitoring program. G-Watch monitoring of transparency in the bidding process and contract awards along with introduction of international competitive bidding process resulted in the decrease in the average cost of many textbooks. It is reported that the average price of textbooks had fallen by more than half resulting in millions of pesos savings. In addition quality of textbooks improved; Binding and printing quality had improved, and volunteer observers reported 95% error-free deliveries.
- Similar results were achieved in the NAMFREL medicines monitoring program. The comparative bid price list developed by the project guided the hospital and CHD BACs in their choice and decisions to determine the best bid price for pharmaceutical products, generating important savings (estimated at over \$750,000) for the DOH and tax payers.
- ECOLINK has reported that its vehicle-monitoring program achieved the desired result of reducing the misuse of government vehicles. It also reported that the incidence of reselling of gasoline stolen from the government vehicles had been completely stopped. It cited both the reduction in reports of misuse and the results of a perception survey conducted among 100 respondents as proof of these achievements.
- EBJFI's strengthening of the BACO networks in Davao and Cebu directly addressed the need for CSO observers to monitor local government BAC processes to ensure that corruption and waste were eliminated or at least minimized. The BACO networks not only recruited observers but also trained them and regularly updated their knowledge to be not just effective observers but also advocates of government procurement reforms.
- PhilDHRRA's involvement was intended to improve the DA's efficiency and effectiveness in the delivery of its agricultural support services. A total of 307 projects were examined, which represented 34 percent of the total projects funded in the department's 2009 budget in the Central Visayas region. The field monitoring found that some infrastructure projects reported to be complete were in fact not being used because they were only partly finished due to inadequate funding; these seemed to constitute waste of public funds. On the other hand, the monitoring also found that a number of the marketing and livelihood projects were not being maximized and sustained. It appeared to the monitoring team that the feasibility and appropriateness of these projects to adequately

respond to people's needs had not been properly determined beforehand, thereby leading to wasted resources.

Results Area # 4: Empowered Citizens and Communities

The idea here is that by providing information and training to citizens (especially the volunteers) the CSOs enable them to become activist citizens. Capable, informed and active citizens are able to engage with public officials and express their voice on matters that affect them. This under some contexts but not in all cases results in increased responsiveness by the authorities to citizen voices. Our CSO partners mobilized and trained over ---- volunteers. These volunteers were instrumental in generating significant improvements in provision of public goods (see next results area discussion). The citizen and community empowerment created through the projects are evident from the following:

- G-Watch mobilized thousands of volunteers to count text books at delivery points, check quality of text books at shipment points, and observe transparency of bidding process.
- NAMFREL used volunteers from over [100] chapters nationwide in its medicine-monitoring program. These volunteers were given two-day orientation training.
- CCAGG mobilized over 70 community-based volunteer monitors in 8 Abra municipalities and equipped them with the tools and skills to monitor water supply schemes. For CCT monitoring it mobilized and trained volunteers to validate 4,616 beneficiary families, which represented one out of three beneficiaries in the Abra province.
- INCITEGov mobilized and trained 70 volunteer from among the member organizations of the People's Alliance for Justice, Democracy and Good Governance (PAJDGG), a local NGO alliance. These were then divided into two teams, one to look into the barangay projects and the other into the medical supplies procurement process.
- EBJFI formed two monitoring networks. The Davao network organized training for 63 new observers and a retooling session for 14 existing observers. In Cebu it mobilized 75 volunteers, of whom 28 were existing observers. To build capacity it conducted training of trainers and they trained the volunteers.
- Ecolink mobilized and trained volunteers to take video/photos of official vehicles in questionable locations as evidence of misuse of vehicles for personal use.
- CCAGG's CCTP Watch Project had intended to organize community monitoring teams that would then conduct the actual examination of the local implementation of the cash transfer program in Abra. This proved difficult to do given the constraints in time and resources. CCAGG instead took advantage of the presence of parent leaders who accompanied the monitoring team's community visits to familiarize them (the parent leaders) with the monitoring tools so that they could sustain the effort after the project ended. These parent leaders were the products of the monthly Family Development Sessions that the CCTP required of its beneficiaries so that they become active participants in community affairs. CCAGG sought to build the capacities of 67 parent

leaders by organizing two seminars on People's Participation and Social Accountability for them. The seminars sought to make these parent leaders agents of change as they seek accountability from their local leaders.

- PhilDHRRA's field monitoring of the DA's projects showed that the certain of the department's support services, particularly the organization of rural improvement clubs, helped to provide livelihood projects for women that enabled them to be economically empowered. In addition, PhilDHRRA determined that organized farmers were given the opportunity to access more government projects.

Result Area # 5: Knowledge Sharing

Citizen engagement and social accountability are relatively new frontiers of development practice and the knowledge of what works and how, impacts and results is still being developed. There is a huge demand for such knowledge products. The PTF partners have, as matter of policy, generously shared their experiences and how to tools with the global community using digital and print media. The following are examples of such knowledge products and knowledge sharing;

- CCAGG reported the successful development of four monitoring tools, namely:
 - Tool no.1, which was used to identify who should be included and who included in the beneficiaries list
 - Tool no. 2, which was used to check compliance by beneficiaries with the conditions for the grants
 - Tool no. 3, which was used to determine how the beneficiaries used the grants
 - Tool no. 4, which was used to monitor the implementation of the Self-employment Assistance para sa Kaunlaran/Kapakanan.

In addition, CCAGG developed guides for rapid rural appraisal and for community organizing.

- EBJFIII reported in the PCR that the two networks conducted strategic planning exercises in early 2010, which produced a strategic plan for each network, the principles for partnership agreement, and the framework for collaboration document.
- ECOLINK developed tools to raise the level of public awareness regarding the need for vigilance against corruption. Its *Bantay Kurapsyon* radio program has become the province's "most respected and credible public affairs radio program" that has become a venue for the public to air grievances. The publication of a newsletter and the holding of competitions with an anti-corruption theme were also cited as having contributed to this effort. The youth seemed to be a particular target with festivals and competitions geared to their interests.
- INCITEGov's project with the Isabela provincial government introduced the idea of monitoring and evaluation by end users of village level infrastructure and health projects. This meant having to train community members in the principles and methods of monitoring health and infrastructure projects in their area. Community members likewise gained knowledge about the specific steps and processes that the local government

undertakes for these projects. The actual monitoring of selected infrastructure and health projects translated this knowledge into practice and led to their interaction with and exposure to the government personnel involved in these projects.

- Knowledge sharing in PhilDHRRA's project consisted of two public forums. The first, attended by 47 participants from government and CSOs was an orientation into the budget monitoring project and a familiarization of the DA's budget process. This led to the identification of venues for public participation in the DA budget cycle. The second forum, attended by 39 participants, was a sharing of the results of the field-monitoring project. It was expected that this shared knowledge would help CSOs initiate similar projects in their own areas of operation.

Results Area # 6: Better Policies and Governance

The work done by PTF partners exposed a number of systemic weaknesses in government policies and procedures. The partners shared these with the authorities and some of the recommendations were accepted and institutionalized. This was a valuable and sustainable contribution and an important result under the programs. Examples of such contributions are:

- The G-Watch program resulted in institutionalization of the approach. In 2007 DepEd issued Order No. 59 entitled "Institutionalizing NGO and Private Sector Participation in the Department Procurement Process" in effect taking responsibility for ensuring CSO participation in the DepEd's procurement process. Features including access to information, capacity-building activities, easy-to-use tools with clear performance indicators to generate hard data, mechanism for public-private coordination, a quick response mechanism, and a space for government-civil society processing of monitoring results obtained.
- NAMFREL made the following recommendations for systemic improvement to the DOH based on reports made by volunteer observers:
 - Reiterate the need for the presence of observers in all stages of the procurement process, including the pre-procurement and post-qualification, apart from the pre-bid conference and opening of bids
 - Advise the Bids and Awards Committees (BAC) and the Supply/Pharmacy Officer to furnish NAMFREL with copies of the same procurement-related documents that they forwarded to the COA.
 - Advise the Procuring Entity of both Retained Hospitals (RH) and Centers for Health Development (CHDs) to publish their Annual Procurement Plan (APP) in their respective website for public reference and transparency.
 - Advise the Supply Officer to provide NAMFREL with the schedule of delivery specifically for pharmaceutical products.

- INCITEGov proposed standards related for the two areas of its focus. For infrastructure projects, it asked that the provincial government not only make project information available but accessible to the public as well. With regard to hospital procurement of supplies, the “standard” recommended was to course such purchases through the local health boards so that they are open to the scrutiny of community members.
- Through several policy forums and dialogues involving the DSWD, CCAGG presented the findings of the project and made recommendations regarding corrections that should be made in the beneficiaries list to avoid leakages and on the problems encountered by beneficiaries as documented by the project. The DSWD regional director commended the report and promised to look into its findings, particularly with regard to who should be included and excluded in the beneficiaries’ list. The director also recommended that the department’s other CSO partners should follow CCAGG’s example and utilize the same reporting format.
- ECOLINK’s vehicle watch efforts resulted in an ordinance being passed by the Oroquieta City government regulating the use of public vehicles. While both Pagadian and Dapitan were considering similar ordinances of their own, their mayors issued executive instructions to implement key measures, such as the trip ticket system and the marking of official vehicles. In addition, CSO participation in the local BACs was facilitated with the conduct of procurement observer trainings in the three cities that involved 146 participants. The strengthening of policies, procedures, and the institutional mechanisms to enforce these policies were reflected in (1) improved GRPA compliance; (2) effective management of official vehicles; and (3) punitive sanctions against erring officials and personnel.
- PhilDHRRA conducted several consultations with its local partners at which recommendations for the DA were generated after discussions regarding the project results. One recommendation was for the government to refrain from only partially funding projects, which meant that they could not be completed. A second recommendation was for DA to strengthen project monitoring and assessment. The third recommendation was to keep updated records of projects, and a fourth was to strengthen coordination between DA and other government agencies that it depended on to implement its projects.

Results Area #7: Value for Money

PTF partners delivered good value for money granted to them. Thus:

- About \$58,000 was spent by NAMFREL on monitoring the procurement of over \$7 million of drugs and hospital materials. While no specific data was available on the level of corruption, typically drug procurement has a significant level of corruption; other research on corruption in the Philippines indicates a level of corruption on public procurement of between 5% and 10% of the total value of purchases, which in this case would amount to between US\$350,000-750,000.00. [Even if the amount saved through citizen monitoring were as low as 1% of the value of purchases (i.e. £200,000), the GTF

grant would have had a rate of return of around 1000%; in practice the rate of return would most probably have been very much higher than that.

- The province of Abra is one of the poorest provinces in the country. In 2009, it ranked ninth among all 82 provinces in poverty incidence. Any intervention by government for alleviating and reducing poverty is therefore welcome, but only if such an intervention can, in fact show positive results. CCAGG's project confirmed that the CCTP in Abra was able to temporarily alleviate the cash needs of families, thereby enabling students to go to school and ensuring that young children and pregnant mothers were getting necessary health check-ups. It also showed flaws in the DSWD's method of identifying qualified beneficiaries, flaws that excluded qualified families from the program and including unqualified ones, thereby causing the leakage of valuable resources. Given that the CCTP is nationwide in scope with a budget of PhP39 billion (\$886 million in 2012, such leakage, if left uncorrected, could amount to the loss of potentially tens of millions of pesos of program funds.
- ECOLINK had noted that the government, at the national and local levels, stood to lose millions of pesos to illegal expenditures related to the purchase and use of official vehicles, as well as the illegal sale of gasoline. ECOLINK's efforts were focused on CSO participation vehicle procurement and the institutionalization of regulations and policies to better manage the use of such vehicles to prevent abuses and the loss of substantial public funds.
- EBJFI's strengthening of the Bids and Awards Committee Observers (BACO) networks in Davao and Cebu has become the model for the establishment of the Philippine Procurement Network (P2N), which is organizing similar networks nationwide. Additionally, EBJFI is to pursue the concept of Provincial Integrity Boards that formalize the relations between the local BACs and the provincial observers' networks.
- PhilDHRRA's monitoring of the implementation of the DA's expenditures for agricultural support services in the Central Visayas region was to ensure that funds were spent for their intended purposes. PhilDHRRA found this to be generally true, but also found cases where projects were unfinished and unused, or could not be located. The DA found this to be a worthy effort and committed to setting up a project monitoring team to evaluate the state of its projects.
- INCITEGov monitoring program for roads and hospitals at local government level resulted in improvements the way roads are being built and how the provincial hospitals were procuring the supplies they needed. The problems that plagued both processes were documented and shared with the concerned authorities.

4

Chapter 4: Lessons on Anti-Corruption Strategies: the Philippine Program

The various initiatives also provided many lessons of the do's and don'ts of such efforts. There is continuous learning being incorporated as the program evolves and the case studies represent a frank and balanced view on the strengths and weaknesses of each program. There are a number of crosscutting lessons for defining critical pre-conditions for an initiative. But the most persistent and difficult challenge relates to the sustainability of such efforts. Both the need to maintain momentum and active participation amongst volunteers beyond an initial phase represent serious risks. Moreover, the search for sustainable and dependable funding longer term threatens the sustainability of all cases.

The key lessons are described below:

G-Watch: Ensuring Effective Procurement and Textbook Distribution

In our assessment the G-Watch program has six lessons that are relevant to the common challenges and issues confronting anti-corruption efforts in civil society.

Joint and constructive effort between government and civil society produces concrete results. In G-Watch program all key actors entered into a Memorandum of Agreement (MoA) that clarifies the expectations and responsibilities of all parties involved. The constructive approach ensures civil society's access to critical information and dialogue with authorities that are more inclined to be responsive as they were involved right from the beginning;

Success followed a preventive approach. G-Watch monitoring clarifies standards at the outset and allows monitors to see if the standards are met while the service delivery is ongoing. This way monitoring serves as affirmative action, a gentle push to support compliance while allowing opportunities for immediate remedy of deviations detected in the course of monitoring through a quick feedback mechanism integrated into the system. CSO monitoring cannot aim to be at par with the bureaucracy in terms of achieving regularity, stability and extensiveness. CSO participation must be sustained, not to be bureaucratized but to take on a supplementary monitoring once deemed

necessary. The accountability efforts of the government must not be hampered by the presence or absence of CSO participation.

A community-based monitoring approach involving beneficiaries as monitors is strategically important to address two things: Scale and Empowerment. The key to this is utilizing beneficiaries and communities at the local level, while mobilizing national- and regional-based CSOs to cover other areas of service delivery such as procurement and warehouse inspection, among others. Volunteers, as proven by the project, can be mobilized in early phases and motivated by visible efforts. However, sustaining volunteers' interest requires compensating them for their expenses and providing non-financial incentives. It appears that as irregularities diminish over time (a targeted result of monitoring), so is the volunteers' drive to monitor government processes, as they may not see the need to monitor anymore. Sustainability, in the monitoring initiatives spearheaded by G-Watch, is premised in the spirit of volunteerism.

Citizen monitoring is more effective when easy-to-use tools are used. G-Watch introduced checklists with clear points for monitors to assess what they should be looking for. It provides the necessary space to jot down actual observations and all details required to support the observations made.

Evidence-based advocacy works. G-Watch used evidence and data by citizen monitors for continuous advocacy, recommending reforms, and soliciting a public sector response that addresses shortcomings; and,

Role of social intermediary: G-Watch played a key leadership and catalytic role in mobilizing, building capacity, coordinating and followed up community-based monitors. This illustrates the need for a capable social intermediary to serve as coordinating body that will enable monitors to carry out monitoring activities. Although spirit of volunteerism is important for community/citizen monitoring, it needs to be supported by funding for social intermediary (usually CSOs or Community Based Organizations) to sustain coordination, aid in the preparation of reports, capacity building activities and, as noted above, to meet out-of pocket expenses of volunteers.

NAMFREL: Improving Integrity of Drugs Procurement and Delivery

The project has underscored the importance of a constructive relationship between a CSO and its government authorities. A memorandum of understanding specifying mutual obligations and expectations helps the authorities move beyond a passive tolerance of the project activities and become a partner who shares the objective of eliminating corruption in the target area.

The task of motivating volunteers to take on the time-consuming, tedious and sometimes dangerous task of monitoring public sector activities is extremely challenging. Sustaining this motivation is even harder, and the project suggests that nothing motivates more than seeing results from one's work. Volunteers are greatly encouraged if their findings are taken note of and acted upon.

It is important to try and assess the impact of projects such as this on corruption in empirical terms. Specification of 3-4 key results indicators to monitor and assess success must be done as part of project proposal.

Sustaining civil society led monitoring initiatives such as this program requires sustained funding. Experience shows that independent third party monitoring such as this project should be seen as a permanent complement to transparency and accountability initiatives of the executive branch of the government and accountability institutions specified in country's law and constitutions. To be sustained such funding eventually needs to come from domestic sources. Foreign funding, however, is usually necessary in most developing countries, at least in the initial years.

Documenting and sharing the details of such projects with worldwide audiences is an important contribution that should be planned and funded in social accountability initiatives. When the experience with the project was presented by NAMFREL in Hong Kong during the OPENDOORS 2009, A Regional Forum on Procurement Monitoring as several participants showed interest in replicating the concept and methodology of the project in their own countries.

Sustainability: In 2010, NAMFREL was included as CSO representative to the DOH – Integrity Development Council (IDC). Later in 2014, this role of NAMFREL was expanded as IDC was transformed into the DOH-Integrity Management Committee (IMC), which designated NAMFREL as a regular member in the (1) Sub-committee on Financial, Procurement & Asset Management, and (2) Sub-committee on External Stakeholder Management.

CCAGG: Conditional Cash Transfer Program Watch

The CCTP Watch Project provided important lessons for further improving the conditional cash transfer program (4Ps) in the Philippines while also validating the credibility of the program in changing behavior that leads to improvements in education and health, and the empowerment of the poor. It also confirms that public participation in the monitoring of project implementation can help the government objectively evaluate the outcomes of such projects. Such participation also contributes to the formation of positive public perception regarding such efforts.

An important bottleneck in DSWD's implementation of the project was found to be the inability of the department's municipal links (local project implementers) to cope with their case loads. While this has led to the DSWD lessening the caseloads of its municipal links, it may be that a more efficient system for delivering project services should be developed.

The supply side challenges that the effective compliance to 4Ps conditionalities depends on became apparent from feedback garnered through this project. This gives credence to various reports' contention that the program expanded too rapidly in 2011, straining the resources of DSWD. The issue of supply side unpreparedness threatens to diminish the

impacts of the program if it is not properly addressed. This issue can be explored in greater depth in future iterations of this project.

The CCTP Watch project has brought to the fore the important value added in developing mechanisms and tools to engage with the community to improve the effectiveness of government programs such as the 4Ps. The ways of using CSOs to build awareness of the 4Ps, to assist in engaging citizens to better target beneficiaries, and to use them to build the capacity of parent leaders, as piloted through the CCTP Watch project, are all methods that the DSWD is standardizing across the 4Ps.

The project noted specific areas for improvement in 4Ps implementation that could be facilitated by CSOs, such as the updating of the beneficiaries lists due to changes in the circumstances of community members. It is in meeting these challenges to effective delivery that community-based initiatives like the CCTP Watch project can have an important role. The participation of CSOs enhances the integrity of the 4Ps and builds trust among beneficiaries that can further improve their compliance with the program's conditions.

Sustainability. The tools developed by CCAGG will be particularly useful in this larger effort that can make these community-based monitoring and feedback tools a more sustainable outcome beyond the project duration. The wider awareness on the 4Ps created by the project through radio, print, and website, however, will be less likely to be sustained in the longer-term without additional funding.

INCITEGov: Participatory Monitoring for Barangay Infrastructure and Health Projects

The project showed that training and deploying volunteers is not sufficient to sustain the monitoring of government delivery of services. More efforts should be put into designing systems that ensure sustainability. The fact that INCITEGov is based in Manila and relied on local partners in distant Isabela province to implement the project may partly explain why no sufficient effort was put into creating more durable monitoring systems.

In addition, INCITEGov noted the following lessons that it drew from its experience in this project:

The recruitment of community volunteers is not easy as volunteers are often fearful of authority, have limited skills and previous experience, and lack the confidence to do monitoring work.

LGUs and the teams that are supposed to monitor them should be jointly orientated so that they equally understand the needs and implications of the undertaking.

There is a need to involve the community in data gathering, planning, implementation, and evaluation as members can provide insights and other knowledge regarding local projects.

The level of vigilance of community volunteers in monitoring projects creates conditions that make corrupt practices vulnerable to discovery.

Partnerships between LGUs and NGOs maximize the efficient and effective use of resources.

Sustainability. Some of the conditions for sustainability were put in place, such as the mobilization of local CSOs, the cooperation with local agencies and LGUs, and the training of local monitors. However, the project relied on the support of Governor Padaca, who championed the project. Its failure to set up standards and systems for project monitoring weakened any prospect of sustaining the monitoring effort when the Governor was forced to step down at the end of 2009. In the words of the PCA, “seemingly strong political support can evaporate quickly.”

EBJFI: Strengthening Effective Civil Society Organizations’ Participation in Procurement Processes

Among the lessons of EBJFI BAC monitoring are the following:

Funding. Since the network members had no funds dedicated to support BAC monitoring, they could only pursue this activity if they had funds saved from their other projects to be able to support the expenses incurred by volunteer observers. The creation of a mobilization fund is a start but it will have to be continuously replenished from a sustained fund source.

Volunteer Management. The high dropout rate of trained volunteer observers, more than 50 percent in each of the two areas, does not bode well for sustaining this activity. The networks have initiated a “wooing” program to keep volunteers interested and motivated but a more formal volunteer management program may need to be instituted so as to retain the services of observers.

Limited BAC Monitoring. The BACOs in Davao and Cebu have had limited participation in BAC activities, mostly in pre-bidding processes and in the opening of bid documents. Considering that CSO presence during the whole procurement cycles has been institutionalized in other agencies and areas as mandated by law, the networks’ ability to expand their monitoring activities seems to be limited by their own resource constraints in terms of volunteers and funding as already pointed out above.

Dissemination of Results. Dissemination of results should be integral to the design of these projects as this broadens public awareness and may result in broader public participation. Such support from the public will be essential when projects seek greater transparency and accountability through advocacy for reforms. In this project, raising public awareness was a goal that was only partially fulfilled; dissemination of project results, however, was not an integral part of the project design.

Project Management Challenges. It was a challenge for EBJFIII to manage the project since it was based in Manila while its two partners were based in the Visayas and

Mindanao. Another difficulty was the number of network members that had to be coordinated, which at times proved unwieldy for EBJFIII.

Sustainability. The project's generally positive results have encouraged the networks to push procurement reform further, in particular, to establish provincial/city integrity boards to ensure that the recommendations of the local BACO networks are adequately considered and acted upon. The networks have also striven to expand their coverage as noted above. What is more, the Cebu BACO has made a breakthrough by being recognized by the City Council and invited to provide procurement training to LGU officials.

The in-house training capability developed by the project will enable DPTCG and the Cebu BACO to recruit and train volunteer monitors, thereby expanding its personnel resources to be able to respond for the increased demand for observers. It only remains for the networks to sustainably manage these volunteer resources so as to minimize the number of dropouts.

As already pointed out above, funding is an essential sustainability element that the networks must seriously tackle. The mobilization fund is a small step, but other strategies need to be applied to garner the funds necessary to keep the volunteer work going.

ECOLINK: Exposing Misuse of Government Official Vehicles

For ACT I, the following lessons in implementing the project were noted:

The project demonstrated that a small CSO can successfully mobilize the local population in monitoring corruption at the local level;

ECOLINK rightly steered away from focusing on catching erring individuals, although it is in the nature of their work that information is gathered that enables action to be taken against particular individuals. In many cases, the turning over of such information to the concerned department of the local government proved sufficient in stopping the misuse of vehicles. Where misuse persisted, the radio program was used to report the vehicle number (not the name of the person responsible). A few cases of persistent misuse were forwarded to the Ombudsman;

The project showed the importance for funding agencies (in this case ADB) to adopt an arm's-length approach during project implementation. In this case, issues raised in a letter from the mayor to the president of ADB were successfully handled at the local level;

The project once again made clear how important a constructive relationship with local authorities is if strong monitoring systems are to evolve.

For ACT II, the following provided lessons for successfully implementing these types of projects:

The use of mass media is crucial in implementing anti-graft projects. Media helps to put pressure on the authorities and deters commission of crimes. It is also an effective platform for mobilizing the community, fostering transparency, and promoting the gains of project. Mass media is most effective when it is an integral part of the project.

ACT II confirmed that the project's citizens-based "project technologies and implementation system" were replicable in any area, even where there was a security problem as in Pagadian. At the local level, the one constant success factor was a "constructive relationship" between the CSO and the LGU leadership. The commitment of the CSO and the credibility of its leadership is also a condition for developing relationships among NGOs in a network. The slow progress in the strengthening of the Pagadian TAN demonstrated that careful selection of network partners is critical to success.

Sustainability. In ACT I, it was noted that several factors appeared to favor the ability of ECOLINK to sustain specific project activities despite the end of funding. These were:

Public awareness regarding graft and corruption will be sustained by the continuation of poster making, short-play and photojournalism competitions as these were included in the Annual Calendar of Activities of the Department of Education – Oroquieta City Division. On the other hand, ECOLINK intended to continue to publish the newsletter with support from the business sector while the radio program will be supported by the Oroquieta City Press Club.

Policy reforms will be sustained with the drafting and approval of ordinances setting the guidelines for vehicle use management by the LGUs.

With the establishment of a citizen-based anti-corruption coalition, the major gains of the project will be continued and expanded. There was, however, an obvious and critical aspect of weakness in the project's sustainability—the operation of the Oroquieta City Citizens Coalition Against Corruption. The network had very limited financial resources and other organizations did not have the capacity to contribute for its program. It is important for ECOLINK to ensure that future similar projects include strengthening the institutional capacities of local transparency networks or similar groups.

For ACT II, Oroquieta CAC, TANSCDI, and Pagadian TAN integrated the project into their respective regular annual procurement monitoring programs.

The project strategy to link institutionally to existing programs of partner agencies, particularly the Junior Graft Watch of DepEd and OBM, ensured that project sustainability became a concern of these partner agencies. This was concretely illustrated in the case of DepEd-Oroquieta that decided to:

- Hold the annual Youth Arts Festival in coordination with the city government;
- Incorporate graft and corruption lessons as early as the fifth grade, having seen the value formation training of the students from their participation as volunteer monitors; and,

- Support the use of the Junior Graft Watch for project activities as the venue for the “application in real life situation of concepts learned inside the classroom that showed students immediate concrete results of their action.”

The achievements in Oroquieta City provided TANSCDI and Pagadian TAN a model of what their own projects could become and the blueprint for how to get there.

PhilDHRRA: Harnessing Multistakeholder Efforts in Transparency and Accountability

The following lessons for PTF in PhilDHRRA’s project are cited:

Enhanced Project Screening. PTF should carefully screen project designs prior to approving grants to ensure that the inputs and outputs are consistent with the description of the corruption problem. There should be a plausible link from inputs and outputs to outcomes that will have an impact on reducing corruption and verifiable indicators identified that can be used to assess the progress achieved in reducing corruption. These should be summarized in a well-defined logical framework.

Sustaining Pilot Projects. A pilot project, as in this instance, must be provided sufficient funds to finance subsequent phases. Otherwise what was learned may be lost and the desired impacts are unlikely to be achieved or to be sustainable.

Importance of the Memorandum of Agreement (MOA). The project experience underlines the importance of having a signed MOA that sets out the responsibilities of both the government agency and the civil society organization.

Financial Audits. In the future, PTF should consider whether PTF-financed audits should be undertaken of randomly selected projects to demonstrate to the PTF Board and the donors that the funds were used for the purposes intended.

For PhilDHRRA:

Problem Definition and Design. The project could have been designed to include fewer projects, but with more intensive monitoring covering the entire project cycle and including NABCOR projects. This would have required the involvement of local government units from the outset, the provision of more training for field monitors, and fine tuning the field monitoring instruments based on feedback from the monitors.

Early Involvement of Government Agencies. The implementing agencies should have been involved from the beginning so they could have shown how project implementation and funding allocation systems work, ensured that the information on which the monitoring was based was up-to-date and accurate, established mechanisms to resolve issues that arise, and taken action on the problems identified by field monitors.

Selecting the Projects to Be Monitored. At the beginning of a project, agreement should have been reached with the concerned government agency on the list of all

projects funded in the budget. Then the subset to be monitored, consistent with available resources, could have been selected randomly to ensure that there was no bias in the sample of projects monitored. There should also have been agreement regarding the tools to be used and the indicators to be applied. It was crucial that the field personnel were thoroughly trained in the tools they were going to use for monitoring.

Commission on Audit Involvement. Given its mandate, a more active role for the Commission on Audit should be considered for future projects of this type.

Sustainability. PhilDHRRA seems to have gained good experience under this project. The fact that the DA supported the project, prepared a detailed response to the report of the field monitoring, and expressed a desire to institutionalize an in-house monitoring team and to expand the scope of future monitoring to cover all projects in the region are all signs that CSO initiatives of this nature would be welcomed. However, sustainability is uncertain because of the need for PhilDHRRA to mobilize funds to finance the cost of the next phase.

PART II: Case Studies

Fighting New Forms of Corruption: How CSOs Did It. The case studies reviewed for this report represent a cross-section of types of initiatives executed in Philippines and a range of civil society organizations. They provide a robust set of examples to build upon in future efforts. The following seven cases are stories of how CSOs fought corruption with some evident results. The specific tools and approaches are described and lessons learned are extracted in the experiences narrated below. A brief description of sustainability concerns is also discussed for each case.

Case 1: Helping Department of Education Improve Procurement and Distribution of Textbooks (CSO: G-Watch)

G-Watch is a program of the Ateneo School of Government (ASG), organically a unit of the Ateneo de Manila University. In 2001 and 2002, G-Watch conducted a study of 32 school districts. The study found many problems such as: about 40% of the textbooks procured could not be accounted for; the scheduling of deliveries was plagued by problems as there were no clear guidelines on when to deliver and where; the principals were not notified about the deliveries of the books; and there were no penalties for late delivery.

The study found a receptive audience in the new reform minded leadership at the Department of Education (DepEd). Following consultation, a DepEd and civil society collaborative program, known as Textbook Count, was launched to improve efficiency and reduce corruption in textbook monitoring and distribution. The G-Watch activities in the Textbook program were supported for ten years (2003-2013) by 5 PTF grants totaling about US\$169,000.00. Although PTF funding has ended, G-Watch continues to engage with the DepEd and is discussing proposals to ensure sustainability.

The program achieved significant results. These are documented in project completion reports submitted to PTF and independent evaluations carried out by PTF⁶. This program is also discussed in the PTF book “Citizens Against Corruption: Report from the Front Line” (2013). In addition, the Textbook Count was subjected to a research study under the ‘Innovations for Successful Societies Program’ of the Princeton University. We gratefully acknowledge that this chapter draws heavily on the Princeton study (2013) in addition to the PTF materials.

Corruption Problem Addressed and Project Objectives

G-Watch study found that the procurement and distribution of textbooks by the DepEd was affected by corruption and weak quality controls. The books had poor bindings, printing defects, and missing pages. Without a fixed schedule, publishers sometimes delivered textbooks several months after the start of the school year or failed to deliver them; 21% of difficult-to-reach

⁶ The PCRs and PCAs can be found at www.ptfund.org

elementary schools did not receive any shipments. Studies documented that nearly 40% of the books were never delivered. In 2002 DepEd reached out to CSOs to help address these problems. G-Watch responded by piloting “Textbook Count” project in partnership with other CSOs, including the Boy Scouts of the Philippines (BSP) and the Girl Scouts of the Philippines (GSP). In later years the program was expanded to cover monitoring of school construction. The G-Watch program evolved from a very successful effort to reduce the costs of textbooks and ensure their delivery to the remotest of schools to an ambitious program of addressing school construction and furniture procurement at the local level.

Approaches, Methods and Tools Used to Address the Problem

To ensure transparency and integrity in procurement, G-Watch trained and deployed volunteers to attend bid openings and witness deliberations of the department’s Bids and Awards Committee, which evaluated bid proposals. This was in accordance with the 2003 Procurement Law.

G-Watch and other NGOs were also invited to inspect physical quality of textbooks before the books were shipped to schools. G-Watch sent detailed instructions to volunteers before the start of the deliveries. With volunteers in place, G-Watch coordinated warehouse inspections with DepEd as the textbooks were getting printed and bundled. Department officials, G-Watch, NAMFREL, and community volunteers inspected the textbooks’ physical quality including misprints, double prints, blank pages, and missing pages. After inspecting the shipment, they would sign an Inspection and Acceptance Report, noting any errors or discrepancies. DepEd asked publishers to rectify any defects detected before making deliveries.

In 2005 project piloted innovative approaches for delivering textbooks using Coca Cola delivery trucks, the BSP and GSP, and creating human chains as delivery mechanisms, to get the books delivered from district offices to local schools.

In 2010 G-Watch project (2010) piloted use of citizen monitors to observe all stages of the procurement process at the regional/divisional level and expanded monitoring to include procurement for school buildings and school furniture as these take place at the regional/divisional level while the textbooks are procured at national level.



Loading textbooks for shipment to a difficult-to-reach elementary school

In 2011, with PTF support, G-Watch introduced Division level Local Hubs. The idea was that the local hubs could use the methodologies previously developed by G-Watch projects for monitoring procurement of textbooks, school construction and school furniture. G-Watch recruited local CSOs and trained the staff that would be assigned to the local hubs. The local hubs in turn worked with the school-based monitoring teams, which monitored projects in their schools, processed the monitoring results and sent reports to the National Coordinating Groups.



Volunteers and officials receiving textbooks

Results Achieved

Overall textbook count initiatives have had significant success over the years. Leakages in service delivery were greatly reduced. Due to due diligence and, systematic monitoring and the safeguarding of best practices in procurement, Textbook Count has been able to reduce the prices of textbooks and reduce the time allotted for procurements. The results achieved under the Textbook count program are comprehensively documented in the Princeton study, completion reports by G-Watch to PTF and the independent evaluation assessment by PTF⁷. As noted this program was a collaborative effort among multiple partners. It is thus impossible to attribute results to any one partner. With this caveat the following summary of results is presented:

The G-Watch program resulted in institutionalization of the approach. In 2007 DepEd issued Order No. 59 entitled “Institutionalizing NGO and Private Sector Participation in the Department Procurement Process” in effect taking responsibility for ensuring CSO participation in the DepEd’s procurement process. Features including access to information, capacity-building activities, easy-to-use tools with clear performance indicators to generate hard data, mechanism for public-private coordination, a quick response mechanism, and a space for government-civil society processing of monitoring results obtained.

⁷ See references at the end of the Annex.

By 2013, a public opinion survey by Social Weather Stations found that the DepEd is regarded among the three least corrupt departments in the government.

The program along with introduction of international competitive bidding process the decreases the average cost of many textbooks. The average price of textbooks had fallen by more than half, to 37 pesos in 2003 from 90 pesos in 2000. The average price had risen to 46 pesos by 2005 because of the addition of supplementary lesson guides and teacher manuals. Over the three years, however, overall prices had fallen by 50%, binding and printing quality had improved, and volunteer observers reported 95% error-free deliveries.

The success of the textbook projects gave G-Watch the capacity to tackle more complicated terrain in developing pilots at the regional and divisional level that looked at school construction and school furniture, in addition to ensuring textbooks were continuing to reach local schools.

By November 2004, G-Watch, the Boy Scouts, the Girl Scouts, and NAMFREL had successfully mobilized 8,000 field monitors in 85% of the 7,656 delivery sites. With publishers rectifying reported errors in deliveries, DepEd recorded 100% distribution to high schools and district offices within 12 months.

By November 2005, DepEd had successfully procured 1.2 million textbooks at 46 pesos each. NGOs had assisted DepEd in 19 of 25 inspections and checked 165,023 textbooks, or 13% of total shipments. DepEd again recorded 100% distribution to delivery sites within 12 months.

The number of textbooks monitored grew over the years. The 2006 project monitored distribution of 12 million textbooks to 4,844 districts.

Publishers had raised the quality of their book paper to the standard 70 grams per square meter from 54 grams. And DepEd reported that the average shelf life of textbooks had risen to four or five years by 2007 from two years prior to 2002.

The time for a complete textbook cycle, from bidding to delivery, had shrunk by 50% to 12 months. G-Watch reported 95% accurate deliveries on average by the end of 2003.

Publishers were correcting errors reported by monitors, leading to a 100% success rate in textbook delivery by the end of Textbook Count 3 in 2011. And DepEd's serious reform efforts and its partnership with NGOs had created a transparency that bolstered all steps of the process.

What worked well and what did not work well?

In sum, the following can be noted in the G-Watch Initiative:

Constructive engagement. G-Watch developed a strong working relationship with DepEd that started in 2002 and continues in 2014. DepEd saw the benefits of working with G-Watch in terms of the public's improved perception of its transparency and accountability. Given that textbook procurement is handled centrally, DepEd and G-Watch were able to jointly implement programs that substantially reduced textbook cost and dramatically improved textbook availability throughout the country.

Citizen Engagement. *What worked well* was that the 6 G-Watch projects all featured significant participation by individuals (volunteers) and local CSOs. The Textbook Count and Textbook Walk projects mobilized more than 6,000 volunteers. Typically volunteers were elementary and high school students and boy and girls scouts and their parents. Female volunteers were relatively more active.

However, certain aspects in volunteer services did not work well. By 2010 (the 5th project) level of participation of the trained volunteers in observing DepEd's procurement processes was relatively low. The low attendance of CSO observers in Textbook procurement was in line with the overall trend of low participation by independent observers in procurement despite the provisions in the Procurement Law. One of the reasons for low volunteer participation could be lack of funding provided to the CSOs, and by them to the volunteers, to cover their transport costs, food, etc. Since some procurement meetings can last 3 days, lack of funds to cover the minimum cost of attendance could have affected CSO participation.

In some cases, monitors would not be present either (1) when deliveries were late, or (2) after school hours, or (3) on weekends. In some schools, the principals were initially suspicious of the monitors and resented their presence. However, this was resolved once they understood that that monitors were present only to assess the performance of the textbook suppliers.

Capacity-building of volunteers. All parties reported that the training was well delivered and effective. DepEd regional officials confirmed that the trained CSO volunteers were better BAC observers than the untrained volunteers. However, the numbers trained was not enough to meet demand as there is a growing need for more trained CSO volunteers, given the size and recurring nature of procurement.

Indicators of success: Some indicators of project success were clear and powerful e.g. cost per book; % of allocated books reaching designated schools; timeliness of delivery; quality of binding; and time from bidding to delivery. Results measurement could have been better. Compilation and sharing of data on these served to measure success in real time and build support and motivation for the program. However, independent evaluations noted that the results monitoring could have been better in tracking the numbers of procurements by type and value actually monitored by CSO observers and monitoring whether the transparency of procurement in the regions is improving or deteriorating.

Champions. Motivated and dedicated pioneers in DepEd and G-Watch initiated the program. But once those champions are out of office, sustaining and scaling up program became a challenge. Moreover funding for sustaining the program was not forthcoming despite G-Watch efforts once the PTF grants ended. Many civil society members also raised the question as to how long the civil society needs to do such procurement monitoring and who will/should fund the costs?

Lessons Learned

In our assessment, there are six lessons that can be learned from the G-Watch program that can shed light to CSOs as they confront impinging challenges and issues in anti-corruption.

Joint and constructive effort between government and civil society produces concrete results. In G-Watch program all key actors entered into a Memorandum of Agreement (MoA) that clarifies the expectations and responsibilities of all parties involved. The constructive approach ensures civil society's access to critical information and dialogue with authorities that are more inclined to be responsive as they were involved right from the beginning;

A preventive approach can engender success. G-Watch monitoring clarifies standards at the outset and allows monitors to see if the standards are met while the service delivery is ongoing. This way monitoring serves as affirmative action, a gentle push to support compliance while allowing opportunities for immediate remedy of deviations detected in the course of monitoring through a quick feedback mechanism integrated into the system. CSO monitoring cannot aim to be at par with the bureaucracy in terms of achieving regularity, stability and extensiveness. CSO participation must be sustained, not to be bureaucratized but in order to take on a supplementary monitoring once deemed necessary. The accountability efforts of the government must not be hampered by the presence or absence of CSO participation.

A community-based monitoring approach involving beneficiaries as monitors is strategically important to address two things: Scale and Empowerment. The key to this is utilizing beneficiaries and communities at the local level, while mobilizing national- and regional-based CSOs to cover other areas of service delivery such as procurement, warehouse inspection, etc. Volunteers, as proven by the project, can be mobilized in early phases and motivated by visible efforts. However, sustaining volunteers' interest requires compensating them for their expenses and providing non-financial incentives. It appears that as irregularities diminish over time (a targeted result of monitoring), so is the volunteers' drive to monitor government processes, as they may not see the need to monitor anymore. Sustainability, in the monitoring initiatives spearheaded by G-Watch, is premised in the spirit of volunteerism.

Citizen monitoring is more effective when easy-to-use tools are used. G-Watch introduced checklists with clear points for monitors to assess what they should be looking for. It provides the necessary space to jot down actual observations and all details required to support the observations made.

Evidence-based advocacy works. G-Watch used evidence and data by citizen monitors for continuous advocacy, recommending reforms, and soliciting a public sector response that addresses shortcomings; and

In pursuing anti-corruption, the role of a social intermediary is vital: G-Watch played a key leadership and catalytic role in mobilizing, building capacity, coordinating and followed up community-based monitors. This illustrates the need for a capable social intermediary to serve as coordinating body that will enable monitors to carry out monitoring activities. Although spirit of volunteerism is important for community/citizen monitoring, it needs to be supported by funding for social intermediary (usually CSOs or Community Based Organizations) to sustain coordination, aid in the preparation of reports, capacity building activities and, as noted above, to meet out-of-pocket expenses of volunteers.

Sustainability

After leading and implementing the Textbook Count project for 5 years (2002-7) G-Watch focused on how to institutionalize the program and made suggestions to turnover the responsibility to DepEd. With G-Watch's reduced role, civil society organizations did not collaborate and monitor deliveries to the extent that they had from 2002 to 2007. And because of limited resources and other priorities, no central civil society partner emerged to assume day-to-day management of the program.

According to the Princeton study, in April 2007, G-Watch and DepEd initiated Textbook Walk, an annual event designed to supplement the Textbook Count and help move books from district offices to elementary schools. Volunteers, teachers and school officials carried textbooks from the district office to elementary schools on foot, or via motorcycles, tricycles, boats, and wooden carts. In some areas, they formed human assembly lines to transport textbooks. G-Watch estimated that volunteers transported 60,000 textbooks worth 2.5 million pesos (about US\$48,000) to 110 elementary schools in 2007.

DepEd continues to find ways to embed monitoring of textbook deliveries in its normal operations. The Princeton Study concluded, "Although civil society organizations remained committed to ensuring that textbooks reached schools, they had to consider the burden on their own limited resources. The success of future deliveries would therefore rest on the actions of both DepEd and communities that receive textbooks."

In early 2014 G-Watch submitted a report to DepEd on "Lessons and Recommendations in Sustaining School-Based Monitoring of Education Services: The Government Watch Experience." The paper presents the lessons from the various sustainability efforts conducted by G-Watch. G-Watch also puts forward a proposed strategy for sustainability, which centers on enabling school-based monitoring and some specific recommendations in line with the proposed strategy which include: (1) strengthening of DepEd's monitoring capacity, (2) building of intermediary CSOs' capacity, and (3) enabling of school-based monitoring.

In line with the above-cited strategy, the paper presents the Local Hubs model as a way to enable school-based monitoring. A Local Hub is a division-level intermediary mechanism expected to (1) activate and coordinate school-based monitoring, (2) provide capacity-building for monitoring and (3) serve as a transmission belt of information from the central office of DepEd to schools and reports and feedback from the schools to the regional and central offices of DepEd. G-Watch recommends the national adoption of the Local Hubs to enable and sustain school-based monitoring.

The search for funding to continue civil society role in school based monitoring to improve transparency and accountability of textbook deliveries and other school activities continues. Experience has shown that such civil society role is needed on a continuing basis to complement (not substitute) the government role.

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Case 2: Implementing a Monitoring Program to Help Improve Integrity of Procurement and Delivery of Medicines in the Department of Health (CSO: NAMFREL)

The National Citizen's Movement for Free Elections (NAMFREL), a local CSO in the Philippines, carried out the "Medicine Monitoring Project" (MMP) in partnership with the Department of Health (DOH). The project first started in 2004 and received funding from PTF in two phases during 2008/2009 and 2010/2011. The first phase served to test the feasibility of the approach, which was then – after successful completion – scaled up in a second phase. The program was completed in 2012.

Corruption Problem Addressed and Project Objectives

Many poor households in the Philippines have been prevented and in several instances are commonly barred from access to low cost and yet high quality medicines although the DOH medicine procurement and distribution program was meant to benefit them. Causes were identified in inefficient procurement processes, inaccurate deliveries and poor distribution as well as inadequate warehousing and stocking of essential medicines. Corrupt behaviour was one of the root causes for the distortions observed in the service delivery. Consequences of these governance weaknesses were higher drug prices and scarcity of drugs reaching hospitals and only the well-to-do people in a community could afford them. Impact on people was that those in need of drugs were staying sick longer and even lives were being lost.

Approaches, Methods and Tools Used to Address the Problem

NAMFREL used its existent network of over 100 NAMFREL chapters nationwide to mobilize volunteers and CSOs from within the communities. NAMFREL team leaders and volunteers were given two-day orientation training (a tool) on the provisions of the Government Procurement Reform Act 9184 (GPRA) and its Revised Implementing Rules and Regulations (RIRR). The volunteers checked various reports used by hospitals, suppliers, and the procurement secretariat to verify and monitor:

- Procurement activities in every hospital and regional health offices managed by DOH;
- Delivery of essential medicines in selected hospitals and regional health offices;
- Inventories, warehouses and medicine stocks as well as hospitals' and CHDs' internal systems for checking inventories;
- Distribution of essential pharmaceutical products to entitled hospital recipients; and,
- Prices to assess a reasonable budget for the purchase of drugs and medicines.

Volunteers used checklists to prepare ODR (tools). NAMFREL aggregated these checklists and then followed up on system results and improvements. To make sure the bidding price is fair, NAMFREL compares the market price to prices in different hospitals and to prices in black markets within a specific hospital's vicinity.

Results Achieved

NAMFREL successfully demonstrated how citizen monitoring improved transparency and competitiveness in procurement and distribution of drugs by the public health system to poor households. Prices were lowered; medicines were delivered on time in right quantity to 28 hospitals and clinics subject to monitoring. Department of Health (DOH) is placed in the top three institutions of government seen as least corrupt in a survey by the Social Weather Stations in the Philippines.

NAMFREL made the following recommendations for systemic improvement to the DOH, based on reports made by volunteer observers:

Reiterate the need for the presence of observers in all stages of the procurement process, including the pre-procurement and post-qualification, apart from the pre-bid conference and opening of bids

Advise the Bids and Awards Committees (BAC) and the Supply/Pharmacy Officer to furnish NAMFREL with copies of the same procurement-related documents that they forwarded to the COA.

Advise the Procuring Entity of both RH and CHDs to publish their Annual Procurement Plan (APP) in their respective website for public reference and transparency.

Advise the Supply Officer to provide NAMFREL with the schedule of delivery specifically for pharmaceutical products.

The MMP contributed to improving efficiency and integrity in medicines procurement and distribution services through a number of different means:

Transparent public bidding. DOH recognized NAMFREL volunteers as an "Official Observer" in all stages of the public bidding activities in all of its hospitals and regional health offices. Volunteers observed 143 procurement activities nationwide and produced Observer's Diagnostic Reports (ODR). According the reports the process of public bidding became more competitive, transparent. NAMFREL was also included as member of the Integrity Development Committee (IDC) of DOH.

Completeness and efficient delivery. The deliveries of US\$7 Million worth of essential medicines to hospitals were monitored to check that these were done according to contract specifications and within the specified time frame.

Timely allocation and distribution. Over US\$ 4 Million worth of medicines were allocated to and received by the intended hospital beneficiaries.

Improvement and expansion of hospitals' warehouses and storages. The observation reports of NAMFREL volunteers were used in establishing DOH's Warehouse Improvement Program.

Competitive bid price. The comparative bid price list developed by the project guided the hospital and CHD BACS in their choice and decisions to determine the best bid price for pharmaceutical products, generating important savings (estimated at over \$750,000) for the DOH and taxpayers.

The other results reported by the volunteer observers and NAMFREL were:

- Hospital BACs are now more open and receptive to the participation of NAMFREL observers in all of the public bidding activities conducted by the hospitals; Prices offered by the bidders/suppliers during the bidding are actually competitive;
- Pharmaceutical products are more accessible now at the hospital level as compared to the past;
- Pharmaceutical products were actually delivered and received on time by the hospitals in accordance to the awards and specifications.
- Under the watch of observers during post- delivery monitoring, pharmaceutical products were delivered promptly to hospitals as stipulated in the contracts awarded to the suppliers

Value for money. In this project, about \$58,000 was spent by NAMFREL on monitoring the procurement of over [\$7 million-TBC] of drugs and hospital materials. While no specific data was available on the level of corruption, typically drug procurement has a significant level of corruption; other research on corruption in the Philippines indicates a level of corruption on public procurement of between 5% and 10% of the total value of purchases, which in this case would amount to between US\$350,000-750,000.00.

Impact on human lives. The provision of drugs for sick people is critical to their long-term welfare. The success of this project in improving the transparency and accountability of drug procurement has the potential to have had a dramatically positive impact on people's lives.

What worked well and what did not work well?

Contextual Factors. Aware of the wide spread corruption in public procurement, the Philippine government had introduced legislation to allow for independent citizen monitoring of procurement. Section 13 of the Philippines' Government Procurement Reform Act (GPRA) – mandated, that accredited CSOs be invited as observers to meetings of the Bids and Awards Committee of every government institution undertaking procurement of goods and services. The CSO participation is intended to enhance the two principles underpinning the GPRA –

transparency and accountability – that make it more difficult for corruption in government procurement to thrive. NAMFREL was accredited to monitor DOH procurement and a member of the Integrity Development Committee at DOH since 2005. This long-standing relationship created the trust and confidence that helped the project to be implemented successfully.

Volunteer Management. The level and quality of volunteer mobilization and deployment was an outstanding feature of the program. NAMFREL has an existing and longstanding network of volunteers in connection with its fundamental role in monitoring elections. Volunteers had day jobs and not paid to volunteers. How replicable and sustainable is it?

This aspect of the program deserves research to draw lessons.

Constructive Engagement. An important factor in the success of this initiative has been NAMFREL's ability to forge a close relationship with the Department of Health. What were the success factors? Is this replicable? NAMFREL has brand recognition as an institution of highest integrity. DOH benefitted from the collaboration as evident from the improved public perception of integrity of procurement at DOH. The close relationship with DOH leadership assured the support of the DOH officials as well as the head of individual hospitals, which in turn ensured success in the effort to follow through with the various monitoring exercises initiated. This highlights the importance of finding and engaging with reform champions within the government.

Monitoring Process. While in general the monitoring was satisfactory, the process was not without challenges. NAMFREL volunteers reported that often they were not able to attend all the stages of the bidding process. Most of the hospitals and CHDs invited observers only for the pre-bid conference and the opening of bids and the invitations were not timely. The project also faced the challenge of erratic schedules of suppliers in delivering the priority medicines, and of no standard inventory report format used by the hospital and CHDs for tracking the drugs and medicines.

Results Framework. In absence of a control group there is a way to compare what it would be like without NAMFREL. More thought could have been given to results measurement through baseline and results indicators.

Lessons Learned

The project has underscored the importance of a constructive relationship between a CSO and its government authorities. A memorandum of understanding specifying mutual obligations and expectations helps the authorities move beyond a passive tolerance of the project activities and become a partner who shares the objective of eliminating corruption in the target area.

The task of motivating volunteers to take on the time-consuming, tedious and sometimes dangerous task of monitoring public sector activities is extremely challenging. Sustaining this motivation is even harder and the project suggests that nothing motivates more than seeing the results from one's work. Volunteers are greatly encouraged if their findings are taken note of and acted upon.

It is important to try and assess the impact of projects such as this on corruption in empirical terms. Specification of 3-4 key results indicators to monitor and assess success must be done as part of project proposal.

Sustainability

Sustaining civil society led monitoring initiatives such as this program requires sustained funding. Experience shows that independent third party monitoring such as this project should be seen as a permanent complement to transparency and accountability initiatives of the executive branch of the government and accountability institutions specified in country's law and constitutions. To be sustained such funding needs to come from eventually from domestic sources. Foreign funding is usually necessary in most developing countries.

Documenting and sharing the details of such projects with worldwide audiences is an important contribution that should be planned and funded in social accountability initiatives. When the experience with the project was presented by NAMFREL in Hong Kong during the OPENDOORS 2009, A Regional Forum on Procurement Monitoring as several participants showed interest in replicating the concept and methodology of the project in their own countries.

For More Information:

Project completion reports (PCRs) and Project completion assessments (PCAs) can be accessed at <http://ptfund.org/where-we-work/east-asia/east-asia-project-reports/>

Medicine Monitoring Project at The NAMFREL website can be accessed at <http://www.namfrel.com.ph/v2/activities/mmp.php>

Case study on "Monitoring Procurement, Delivery, and Dispatch of Medicines in the Philippines" <http://ptfund.org/2012/04/monitoring-medicines-procurement-philippines/>

Case 3: Monitoring Uses and Abuses of Government Vehicles (CSO: Environmental Cooperation and Linkages Inc., ECOLINK)

The 2003 Government Procurement Reform Law sought to reform government procurement procedures in order to eliminate or minimize procurement-related corruption by mandating a more transparent process. This includes the presence of third party observers in the activities of the Bids and Awards Committees that approves these procurements. Millions and even billions of pesos of local government funds are allegedly lost due to corruption in the procurement and use of vehicles. In 2006, the Environmental Cooperation and Linkages Inc. (ECOLINK) was granted funds by PTF to look into corruption and waste associated with government vehicles use in the City of Oroquieta. Upon completion of the project in 2007, PTF granted more funds to Ecolink to scale up the project to cover two more cities in Mindanao, with the latter project activities taking place in 2008.

Corruption Problem Addressed and Project Objectives

Corruption in the procurement, use, and maintenance of government vehicles is supposedly so broad as to cause the loss of millions of pesos of public funds. In particular, the Office of the Governor of the province of Misamis Oriental was reported to have lost 12 million pesos to illegal vehicle expenditures, including the diversion of fuel funds to private uses. This rampant corruption was supposedly abetted by the fact that “mechanisms in preventing corruption . . . are weak if not totally absent.” Phase I (ACT I) of this project focused on the local government of Oroquieta City, which also allegedly failed to invite third party observers in its vehicle procurement process resulting in overpricing and “dubious bid awards.” Phase II (ACT II) of the project extended and expanded the activities covered in Phase I to include the cities of Pagadian and Dapitan.

Approaches, Methods and Tools Used to Address the Problem

To address this problem, ECOLINK sought to significantly reduce and prevent the wastage/corruption of local government funds through an anti-corruption and transparency project using participatory, low-cost, innovative, and creative strategies. Specifically, it

endeavored to accomplish the following objectives within the six months that the project (ACT 1) was to be operational:

- Reduce corrupt/lavish expenditures of the local government of Oroquieta on vehicle procurement, use, and maintenance by at least 20%;
- Strengthen Oroquieta City's compliance with the Government Procurement Reform Act (GPRA) of 2002;
- Significantly increase citizen participation in anti-corruption and transparency programs and actions;
- Strengthen local mechanisms for CSO participation in the monitoring of local government procurements.

This fourth objective was actually elaborated in ACT II, which then constituted the fourth and fifth project objectives, namely:

Strengthen capacities of NGO's, and

Enhance existing policies and institutional mechanisms in vehicle procurement, use, and maintenance.

The main activities in both phases consisted of vehicle expenditure monitoring, vehicle use monitoring, educating the public through an information and advocacy campaign, advocating institutional and policy reforms in local government, and capacity building of partner CSOs.

ACT II was essentially a replication of ACT I, but with emphasis on strengthening and capacity building of partner CSOs in the three cities, and deepening specific approaches to monitoring and awareness activities based on the lessons learned from the first phase.

Expenditure monitoring involved the conduct of expenditure analysis workshops in both phases. These workshops calculated the savings on vehicle related expenditures (for fuel and lubricants) by comparing the amounts appropriated for these expenses and the actual expenditures realized after project intervention. In ACT II, a vehicle monitoring information system (VMIS) software was to be developed to give LGUs a way to systematically monitor vehicle use.

Monitoring the misuse of official vehicles sought the involvement of the volunteers and the public to report and to document the abusive behavior of officials who used their government-issued vehicles for private purposes. This was done with the use of text messages, photographic evidence of misuse, and other forms of public feedback such as on community radio.

Conducting a public advocacy campaign meant undertaking a wide array of activities including a photo journalism contest, a school-play contest, the creation and distribution of posters, the publication of an on-line monthly newsletter, and the airing of a popular weekly radio program called *Bantay Kurapsyon*. Similar venues for advocacy were employed in ACT II and expanded with the holding of youth festivals and the production of a video documentary. Public service radio programs were also aired, daily in Pagadian and weekly in Dapitan. These activities aimed at increasing public participation in the anti-corruption campaign.

ECOLINK sought institutional and policy reforms such as by raising Oroquieta's level of compliance with the Government Procurement Reform Act and by conducting a training workshop regarding the Bids and Awards Committees (BACs). In the second phase, the project was able to conduct a vehicle ordinance formulation workshop and a seminar on legal and ethical standards for vehicle use, and initiated the development of the VMIS software to track vehicle use. ECOLINK was also involved in the filing of precedent cases to hold misbehaving officials into account.

Capacity building activities were primarily aimed at strengthening ECOLINK's partner CSOs, particularly the Coalition Against Corruption in Oroquieta City, the Transparency and Accountability Network of Civil Society in Dapitan, Inc. (TANCSDI), and the Pagadian Transparency and Accountability Network (TAN), in monitoring official vehicle use in their respective areas. These consisted of: a training workshop on corruption monitoring, prevention, reporting and documentation; training workshop; resource generation seminars to strengthen CSOs' ability to raise funds to sustain anti-corruption activities; an experience-sharing workshop with NGOs; the BAC training workshop; the establishment and strengthening of cooperative relations between the local Ombudsman office and the relevant CSOs in each city; and the development of LGU anti-corruption toolkits.

Results Achieved

Reduced LGU expenditures in vehicle use, repairs, and maintenance. In ACT I, ECOLINK noted a reduction in the city's expenditures for gasoline and lubricants for its vehicles for comparable periods before and after its intervention. Whereas the Oroquieta city government had formerly overspent its budget by 1.7 million pesos, it now had a surplus of over 300 thousand pesos. In ACT II, this surplus over a similar period rose to nearly 450 thousand pesos. ECOLINK attributed this increase not just to more judicious use of vehicles but also to the city government's ridding itself of old, inefficient vehicles as recommended by the CSOs.

The estimated annual reduction in spending for gasoline and lubricants (between 2007 and 2008) by city governments in ACT II was highest for Pagadian City at over 550 thousand pesos, followed by Dapitan at over 400 thousand pesos. Oroquieta's total spending, on the other hand, declined by 44 thousand pesos. ECOLINK noted that vehicle expenditure monitoring in these three cities, including the disposal of old vehicles worth nearly 8 million pesos, had netted the Philippine government over 9 million pesos in savings.

Eradicated vehicle misuse practices. Due partly to the participation of the public in reporting and exposing misbehavior, ECOLINK noted the end of specific cases of misuse of government vehicles in Oroquieta while apparently minimizing the total number of misuse by project end in ACT I.

In ACT II, vehicle misuse was virtually eliminated in all three cities by project end. The reductions were evident both in the decrease in reported cases of vehicle misuse as well as in the results of public surveys conducted in the three cities. Such dramatic reduction in vehicle misuse was partly attributed to the fact that official action was taken against erring officials ranging from reprimand and dismissal to the actual filing of administrative cases.

Raised awareness and participation of citizenry in anti-corruption campaigns. In ACT I, ECOLINK received a total of 1,197 SMS, 179 phone calls and 55 letters relevant to the project. At least 906

individuals directly participated in project activities. Also, ECOLINK mobilized and partnered with 71 organizations—NGOs, POs, and various government agencies.

In ACT II, 7,800 people participated in the anti-corruption festivals and other public activities conducted in all three cities. The project signed up 711 volunteers and generated 3,110 text messages pointing out vehicle misuse. Five hundred posters printed and posted while 3 billboards were installed in strategic places, one for each city. A couple of video documentaries were also produced.

Enhanced LGU policy on vehicle use management and improved policy implementation. In ACT I, the Oroquieta City government adopted specific measures to prevent widespread corrupt practices such as gasoline diversions and theft and vehicle misuse.

- The Sangguniang Panlungsod drafted a Committee Recommendation on the Proposed “Ordinance Setting the Guidelines in the Use, Procurement and Management of LGU Vehicles.”
- Barangay LGUs adopted a specially drafted ordinance for their vehicles.
- The city mayor issued an executive order organizing the project monitoring committee that included ECOLINK’s executive director as a member.
- Local government vehicles were labeled with huge logos of the city government and marked “for official use only.”
- Trip tickets were issued as a way of managing vehicle use.

Oroquieta City’s compliance with procurement laws was significantly strengthened in the following areas:

- Presence of third party observer in BAC and bidding processes;
- Posting and publication of bidding announcements; and,
- Accessibility of bidding documents.

In ACT II, Oroquieta City passed its ordinance on official vehicle use while similar ordinances for the other two cities were drafted. In lieu of ordinances, the city mayors of Pagadian and Dapitan issued executive instructions to implement key measures, such as the trip ticket system and the marking of official vehicles. Workshops were held to orient 140 city personnel on these new policies.

CSO participation in the BACs was facilitated with the conduct of procurement observer trainings in the three cities that involved 146 participants. BACs from the three cities also sent 18 participants each to attend the training.

The strengthening of policies, procedures, and the institutional mechanisms to enforce these policies were reflected in (1) improved GRPA compliance; (2) effective management of official vehicles; and (3) punitive sanctions against erring officials and personnel.

Strengthened capacity of anti-corruption networks, NGOs, and POs. In ACT I, ECOLINK established the Oroquieta City Coalition Against Corruption as the network of local CSOs that would sustain the mechanism for public feedback that the project had established. The project has also helped to reinforce existing government programs such as the Oplan Red Plates of the Ombudsman.

In ACT II, ECOLINK established or strengthened local anti-corruption networks as the aforementioned CAC, the Pagadian Transparency and Accountability Network, and TANCSDI in Dapitan. It conducted trainings and workshops to enhance these networks' abilities to monitor official vehicle procurement and use and to strengthen their observer role in the BACs.

What worked well and what did not work well?

Partnership with DILG. This partnership was crucial in enabling ECOLINK to intensify its project activities in Oroquieta City and to extend them to the other cities of Pagadian and Dapitan. This partnership caused these LGUs to welcome ECOLINK's intervention in the monitoring of their official vehicles, which in turn led to "the reduction of wastage in LGU funds due to corrupt practices in the use, procurement and maintenance of vehicles." ECOLINK was also able to engage in policy reform at the LGU level by its participation in the crafting of barangay and city ordinances regulating the use of government vehicles. This partnership made dealing with the government bureaucracy less difficult than it ordinarily would have been, but it depended on having an "internal champion" in the person of DILG Secretary Jesse Robredo who personally supported the project.

Raising Public Awareness and Community Participation. Conducting public awareness activities laid the groundwork for encouraging citizens to consciously and actively participate in monitoring the use of public vehicles. A total of 972 volunteers registered for the project, whose reports led to significant reduction in the number of vehicle misuse cases. More than 11,000 persons were estimated to have participated in the project's various activities.

Developing a Vehicle Management Information System (VMIS). A VMIS software was to be developed in order to enable computer-based monitoring of vehicle use but it was aborted by the fact that it required integration into the LGUs' fiscal management system, a step that the LGUs could not or declined to do. Instead, a manual system (toolkit) was developed that included "simplified tools to determine gasoline corruption and an improved trip-ticketing system" that had been part of the VMIS. The LGUs were more receptive of this manual system.

Lessons Learned

For the Anti-Corruption and Transparency Project (ACT) I, the following lessons in implementing the project were noted:

- The project demonstrated that a small CSO can successfully mobilize the local population in monitoring corruption at the local level;
- ECOLINK rightly steered away from focusing on catching erring individuals, although it is in the nature of their work that information is gathered that enables action to be taken against particular individuals. In many cases, the turning over of such information to the concerned department of the local government proved sufficient in stopping the misuse of vehicles. Where misuse persisted the radio program was used to report the vehicle number (not the name of the person responsible). A few cases of persistent misuse were forwarded to the Ombudsman;

- The project showed the importance for funding agencies (in this case ADB) to adopt an arm's-length approach during project implementation. In this case, issues raised in a letter from the mayor to the president of ADB were successfully handled at the local level;
- The project has once again made clear how important a constructive relationship with local authorities is if strong monitoring systems are to evolve.

For ACT II, the following provided lessons for successfully implementing these types of projects:

The use of mass media is crucial in implementing anti-graft projects. Media helps to put pressure on the authorities and deters commission of crimes. It is also an effective platform for mobilizing the community, fostering transparency, and promoting the gains of project. Mass media is most effective when it is an integral part of the project.

ACT II confirmed that the project's citizens-based 'project technologies and implementation system' were replicable in any area, even where there was a security problem, as in Pagadian. At the local level, the one constant success factor was a 'constructive relationship' between the CSO and the LGU leadership. The commitment of the CSO and the credibility of its leadership was also a condition for developing relationships among NGOs in a network. The slow progress in the strengthening of the Pagadian TAN demonstrated that careful selection of network partners is critical to success.

Sustainability

In ACT I, it was noted that several factors appeared to favor the ability of ECOLINK to sustain specific project activities despite the end of funding. These were:

Public awareness regarding graft and corruption will be sustained by the continuation of poster making, short-play and photojournalism competitions as these were included in the Annual Calendar of Activities of the Department of Education – Oroquieta City Division. On the other hand, ECOLINK intended to continue to publish the newsletter with support from the business sector while the radio program will be supported by the Oroquieta City Press Club.

Policy reforms will be sustained with the drafting and approval of ordinances setting the guidelines for vehicle use management by the LGUs.

With the establishment of a citizen-based anti-corruption coalition, the major gains of the project will be continued and expanded. There was, however, an obvious and critical aspect of weakness in the project's sustainability—the operation of the Oroquieta City Citizens Coalition Against Corruption. The network had very limited financial resources and other organizations did not have the capacity to contribute for its program. It is therefore important for ECOLINK to ensure that future similar projects include strengthening the institutional capacities of local transparency networks or similar groups.

For ACT II:

Oroquieta CAC, TANSCDI and Pagadian TAN integrated the project into their respective regular annual Procurement Monitoring Programs.

The project strategy to link institutionally to existing programs of partner agencies, particularly the Junior Graft Watch of DepEd and OBM, ensured that project sustainability became a concern of these partner agencies. This is concretely illustrated in the case of DepEd-Oroquieta that decided to:

- hold the annual Youth Arts Festival in coordination with the city government,
- incorporate graft and corruption lessons as early as the fifth grade, having seen the value formation training of the students from their participation as volunteer monitors,
- support the use of the Junior Graft Watch for project activities as the venue for the “application in real life situation of concepts learned inside the classroom that showed students immediate concrete results of their action.”

The achievements in Oroquieta City provide TANSCDI and Pagadian TAN a model of what their own projects could become and the blueprint for how to get there.

Case 4: Strengthening Local Mechanisms for Effective Civil Society Organizations' Participation in Procurement Processes (CSO: EBJFI)

The Government Procurement Reform Law (R.A. 9184) passed in 2003 sought to improve the process of government procurement by requiring measures to make it open, competitive, and transparent. One measure for improving transparency and accountability was the requirement to have observers from the private sector and civil society present at BAC proceedings. The Evelio B. Javier Foundation, Inc. (EBJFI) was one of the organizations that sought to prepare the participation of such observers by conducting orientations and trainings. However, EBJFI discovered that despite the increase in the number of trained observers, a problem in the commitment of CSOs and private sector groups to observe and monitor the operations of BACs was recurrent. This led EBJFI to initiate the building of a partnership between government and civil society to institutionalize the CSO BAC observers in the provinces of Davao del Sur and Cebu, in an activity referred to as the Interface. The Interface led to the formation of the Davao Procurement Transparency Core Group and the Cebu Bids and Awards Committee Observers Steering Committee that would lead the institutionalization of the observers' groups in their respective areas of operation. The project on strengthening these local mechanisms, funded by a PTF grant in 2009, was the direct offshoot of that previous effort.

Corruption Problem Addressed and Project Objectives

While the Interface enabled BAC observers (BACOs) of the two provinces to organize themselves into local networks or committees (the "local mechanisms") that would work to ensure transparency in local government procurement processes, these mechanisms needed to be strengthened and equipped to be self-sustaining by increasing the networks' capability to be effective monitors as well as by adding to the number of volunteer observers. Ensuring effective monitoring required that there be more observers trained and that they be knowledgeable about the intricacies of the procurement process, the nature of the services and goods that were being procured, and the requirements that needed to be fulfilled by both purchaser and seller to ensure the desired outcome. Ineffective CSO observers would mean that a vital component of the mandate of the procurement reform law would be not met thereby negating the reforms in

government procurement procedures and keeping the door open to waste and possible corruption.

The project, therefore, aimed to assist both BACO networks in Davao del Sur and Cebu in their capability building activities geared towards sustaining their activities as a unified force actively participating in public procurement activities and effecting reforms. Specifically, it sought to:

- Assist both steering committees in Davao del Sur and Cebu in formulating a strategic direction for the group;
- Help build the capacities of each network organization in sustaining its activities and in enhancing the knowledge and skills of existing and new BACOs;
- Assist in putting BACOs in appropriate BACs and replicating what has been achieved in the Interface. In monitoring procurement processes, the tested method of having observer teams assigned to BACs instead of individuals, as pioneered by the Bishops-Businessmen's Conference for Human Development (BBCHD) and the Makati Business Club (MBC), was to be replicated;
- Assist the Steering Committees in recruiting the ultimate ally and support group—the Filipino people;
- Assist in system and tool formulation geared towards effectively and efficiently monitoring, evaluating, and documenting the activities of deployed BACO teams and assist in research efforts aimed at increasing knowledge and skills of BACOs.

Approaches and Tools Used to Address the Problem

EBJFIII proposed to undertake the following activities to strengthen the local BACO networks in the two provinces:

To assist the networks in mapping out a three-year strategic plan that would set future direction for each network, lay down guidelines for how the CSO networks would relate to each other and to the BACs they would be monitoring, and prioritize the particular LGUs and local government agencies (LGAs) and the specific types of procurements the networks would focus on. This activity was to produce the strategic plan as well as an internal “principles of partnership” document and an external “framework for collaboration” with the government, academe, and the business sector.

To maintain and strengthen the observers’ networks by asking them to hold regular monthly meetings and to organize trainings to recruit more observers as well as enhance the skills and knowledge of existing observers. This activity was to result in the recruitment of 50 new observers and upgrading of the existing 75 members of the networks. A trainers training module was going to be created as well as a mobilization fund that would provide resources for these activities.

To institutionalize the observers’ networks by arranging that observer teams, rather than individual observers, monitor the BAC activities of the priority LGUs and LGAs. Part of this institutionalization was to match each observer team to a particular LGU or LGA for monitoring. EBJFIII would also arrange for regular quarterly dialogues between the BACs identified and the observer teams assigned to them.

To build awareness among the public and garner their support for the reforms in government procurement. This activity would result in a communication plan, the organization of a “Public Procurement Month” culminating in a public parade with an anti-corruption theme, and the holding of public meetings and information-sharing fora.

To systematize and facilitate the reporting of the observer teams by creating a standard reporting format and a monitoring and evaluation group that would scrutinize the reports and provide advice to the observer teams. This activity would also involve the creation of a central table library to collect relevant reading materials and archive the team reports. A directory of observers would be put together and a semi-annual conference of observers would be organized as a venue for sharing experiences.

Results Achieved

1. The two networks conducted strategic planning exercises in early 2010, which produced a strategic plan for each network, the principles for partnership agreement, and the framework for collaboration document. The priority government offices and procurement exercises to be monitored by the networks were identified for each province. While a three-year strategic plan was conceived and its components noted, no formal plan document was ever produced. A deployment and monitoring mechanism also took the place of the envisioned principles of agreement and framework for collaboration.

2. The institutionalization of organizational mechanisms called for each network regularly scheduling monthly meetings for tracking their respective progress in plan implementation. While meetings were indeed held, they were not regularly scheduled on a monthly basis.

The Davao network organized a training for 63 new observers and a retooling session for 14 existing observers out of the 75 formerly identified. In Cebu, 75 volunteers, of whom 28 were existing observers, were gathered in a joint training and retooling exercise. Both trainings were held in early 2010 right after the planning sessions. Both Davao and Cebu also held training for trainers in April and May 2010, respectively.

Each network also established a mobilization fund. This fund was intended to provide funds to volunteers for their out-of-pocket expenses when monitoring the BACs.

3. The networks assigned observer teams to the priority procurement activities and procuring offices that each had identified. However, the planned dialogue between observer teams and BACs that would have formalized and institutionalized the relationship between the two entities was frustrated by the fact that no formal agreement on this matter was actually drawn up. The networks also met with the academic and business sectors in their respective areas of operation and were said to have forged cooperation and pledges to monitor government procurement processes. In March 2010, the Davao network decided to cover all three provinces of Davao (i.e., Davao del Sur, Davao del Norte, and Davao Oriental) in recognition of the fact that its members came from all three provinces. In all, 33 organizations fielded 63 observer volunteers in the identified priority LGUs and LGAs. The Cebu network’s six members monitored nine priority LGUs and LGAs.

4. The networks' simple communications plan called for making January "Public Procurement Month," but this never got off the ground because the project schedule did not allow it. The Davao network established an awareness committee that catered to the members of the network organizations rather than the general public. The Cebu network created an information brochure that was distributed to procurement reform stakeholders and other organizations.

5. The networks adopted the Coalition Against Corruption's observer reporting template instead of developing their own. Knowledge resources were collected and made available to the observers for increasing their knowledge regarding government procurement processes.

What worked well and what did not work well?

Strategic Planning and Network Strengthening. The strategic plan of each network provided strategic directions for the institutionalization of CSO monitoring of priority LGUs and LGAs with trained observers. Capability building through training of new volunteers and the retooling of experienced observers enabled the networks to respond to the call for more observers in the BACs. The creation of documents formally laying out the strategic plan and the implementation guides covered by the principles of partnership and framework for collaboration would have facilitated the overseeing of the whole program and could have been useful as a reference for other similar efforts initiated by other CSO networks.

Recruiting, Endorsing and Deploying BACOs. The networks were able to recruit and train new volunteers to meet the increasing demand for more observers. In order to maximize their limited number of volunteers, the networks decided to prioritize which LGUs and LGAs it would assign BACOs to. Also, as a way to increase the effectiveness of CSO monitoring, it assigned BACO Teams instead of individuals to the prioritized BACs and matched the teams to their particular BAC assignments based on the types of procurement to be monitored.

Deepening Knowledge and Skills in Public Procurement Processes. The institution of measures for organizational strengthening was a necessary step in building more solid footing for the networks. The trainings and retooling sessions built up the networks' manpower resources and their ability to monitor the priority BACs. The training of trainers program ensured that the networks would be self-sufficient in having the personnel necessary for preparing volunteers for monitoring work. Measures to stem the problem of volunteer drop out were initiated with the expectation of good results.

Instituting a Uniform Reporting and Feedback Mechanism. The project adopted the CAC Coalition Against Corruption (CAC) Observer Reporting Template which helped in evaluating the compliance of the BACs with the law. Adopting the template, albeit altered to reflect local conditions, ensured a uniform reporting format, which facilitated the collection and analysis of the data contained in these reports. Feedbacks, suggestions and comments on particular procurement activities were discussed during the quarterly meetings of the networks and the BACOs.

Formal Recognition by Government Procuring Agencies. The matching of observer teams to BACs has produced positive results for third party monitoring of government procurement, possibly preventing more corruption and other anomalies. However, the inability to draft a memorandum

of agreement or understanding with the BACs was regarded as a setback as it prevented the BACOs from “fully engaging” with the procuring agencies, particularly in the long-term.

Formulation of Criteria and Process of Identification of Priority Agencies/Bids and Awards Committee. The networks produced a set of prioritization criteria for choosing which BAC to observe based on the budgets allocated and the services impacted. The project’s PCA suggested that another element for selection should have been included based on the degree of corruption associated with each agency as implied by COA reports, media feedback, and popular perception.

Developing Partnerships with Business Groups, the Academe, and Media. The networks were able to conduct dialogues with academe and business groups. However, these relationships need to be strengthened and formalized as suggested by the PCA report. Such partnerships would help the networks do their work more effectively through knowledge sharing as well as the possibility of obtaining funds from the business sector. The networks’ public profile would also have been enhanced if it had engaged with media as a way to channel the reports of corruption to the public and to build popular support for the anti-corruption campaign.

Sharing a Model for Network Building. By organizing and strengthening Davao Procurement Transparency Core Group (DPTCG) and the Cebu BACOs, EBJFI has provided a model for organizing a nationwide Philippine

Procurement Network (P2N) for monitoring government procurement processes. The project has also placed EBJFI in a good position to pursue the organization of the much-desired Provincial Integrity Board (PIB).

Lessons Learned

Funding. Since the network members had no funds dedicated to support BAC monitoring, they could only pursue this activity if they had funds saved from their other projects in order to be able to support the expenses incurred by volunteer observers. The creation of a mobilization fund is a start but it will have to be continuously replenished from a sustained fund source.

Volunteer Management. The high drop-out rate of trained volunteer observers, more than 50 percent in each of the two areas, does not bode well for sustaining this activity. The networks have initiated a “wooing” program to keep volunteers interested and motivated but a more formal volunteer management program may need to be instituted so as to retain the services of observers.

Limited BAC monitoring. The BACOs in Davao and Cebu have had limited participation in BAC activities, mostly in pre-bidding processes and in the opening of bid documents. Considering that CSO presence during the whole procurement cycles has been institutionalized in other agencies and areas as mandated by law, the networks’ ability to expand their monitoring activities seems to be limited by their own resource constraints in terms of volunteers and funding as already pointed out above.

Dissemination. Dissemination of results should be integral to the design of these projects as this broadens public awareness and may result in broader public participation. Such support from the public will be essential when projects seek greater transparency and accountability through

advocacy for reforms. In this project, raising public awareness was a goal that was only partially fulfilled; dissemination of project results, however, was not an integral part of the project design.

Project Management Challenges. It was a challenge for EBJFIII to manage the project since it was based in Manila while its two partners were based in the Visayas and Mindanao. Another difficulty was the number of network members that had to be coordinated, which at times proved unwieldy for EBJFIII.

Sustainability

The project's generally positive results have encouraged the networks to push procurement reform further, in particular, to establish provincial/city integrity boards to ensure that the recommendations of the local BACO networks are adequately considered and acted upon. The networks have also striven to expand their coverage as noted above. What is more, the Cebu BACO has made a breakthrough by being recognized by the City Council and invited to provide procurement training to LGU officials.

The in-house training capability developed by the project will enable DPTCG and the Cebu BACO to recruit and train volunteer monitors, thereby expanding its personnel resources to be able to respond for the increased demand for observers. It only remains for the networks to sustainably manage these volunteer resources so as to minimize the number of dropouts.

As already pointed out above, funding is an essential sustainability element that the networks must seriously tackle. The mobilization fund is a small step, but other strategies need to be applied to garner the funds necessary to keep the volunteer work going.

Case 5: The Conditional Cash Transfer Program Watch Project - *The Pantawid Pamilyang Pilipino Program Watch Project* (CSO: CCAGG)

The Conditional Cash Transfer (CCT or 4Ps) Program is at the centre of the Government's effort to reduce the incidence of extreme poverty in line with its commitment to meet the poverty reduction target set by the Millennium Declaration of 2000. The CCT, also known as the Pantawid Pamilyang Pilipino Project (4Ps), involves the giving of money to extremely poor families with school-aged children provided those families agree to undertake education and healthcare measures specified by the program (the conditionalities). In this way, the program is said to be not a subsidy but an investment in the children's future. Each beneficiary family receives P500 per month as "health" subsidy plus P300 for every school-aged child up to a maximum of three. Beneficiaries may participate in the program for a maximum of five years. Following the example of other developing countries, the Philippine government initiated the CCT in 2007 and launched it in 2008 with the Department of Social Welfare and Development (DSWD) as the agency responsible for its implementation and management. The CCT Watch project was organized in April 2011 with funding from PTF for a year to monitor the program's implementation in the Province of Abra.

Corruption Problem Addressed and Project Objectives

Media reports in 2011 tended to show that a significant number of intended beneficiaries of the program were being excluded while unqualified families were receiving the cash grants. Moreover, errors that were reported and complaints that were lodged did not always lead to corrective action by DSWD. In addition, there were also complaints that beneficiaries were not receiving the full benefits they were entitled to. The CCAGG was worried that this was happening in Abra and that many would-be beneficiaries in this poor province were being excluded from the program or were not receiving full benefits.

The CCTP Watch Project had two objectives:

- To ensure the inclusion of the poorest of the poor as beneficiaries of the program; and,
- To ensure that government (public) money was not wasted.

Approaches and Tools Used to Address the Problem

To address the primary concerns identified in the implementation of the 4Ps, the CCTP Watch Project used a community monitoring approach in order to validate whether or not these concerns were being properly addressed and the intended results met. The project had five components to achieve the objectives stated above, namely:

A baseline survey in the 14 municipalities of Abra (out of a total of 27) that represented the first set covered by the program in the province when it started in 2008. The survey was intended to validate the beneficiaries list drawn up by DSWD, that is, to ensure that all those eligible were included in the list and all those ineligible were excluded from the list.

To create community-based monitoring tools that would allow local people to assess the implementation of the CCTP with regard to how well the beneficiaries were able to fulfill the conditionalities set by the program.

To organize community-based monitoring teams that would be trained to use the monitoring tools and continue to monitor the program post project.

To conduct an advocacy on good governance through mass media.

To conduct dialogues with DSWD provincial, regional, and national offices in order to disseminate project results and advocate for program and policy reforms.

CCAGG developed a set of proxy means indicators of the poorest of the poor in the communities as the basis for recommending who should be included and who excluded from the list of beneficiaries. This was important for the validating team's judgment in identifying qualified households. The indicators consist of the following:

- Those who are living in a small bamboo house usually with cogon roof and earth flooring with barely any appliance;
- Those that could barely have three meals a day, at minimum only 1 meal;
- Those that barely earn what they need for the day;
- Those that could barely send their children to high school;
- Those that do not own lands and do not have steady income; and,
- Those who barely participate in public discussions because they are shy to express their opinions.

CCAGG reported the successful development of four monitoring tools, namely:

- CCTP Watch Monitoring Tool No. 1 – Inclusion of the poorest of the poor in the list of beneficiaries and exclusion of the non-poorest of the poor from the list;
- CCTP Watch Monitoring Tool No. 2 – Compliance with the conditions of the program in terms of schooling of children aged 5-14, visits to RHU centers or clinics of children aged 0-14, visits to RHU centers or clinics of mothers in reproductive age, and attendance in Family Development Sessions;

- CCTP Watch Monitoring Tool No. 3 – Usage of cash transfer;
- CCTP Watch Monitoring Tool No. 4 – Implementation of the Self-Employment Assistance para sa Kaunlaran/Kapakanan (SEA-K Projects).

In addition, CCAGG developed guides for rapid rural appraisal and for community organizing. The CO guide is really a set of instructions or protocol for how CCTP Watch field researchers should conduct the community validation.

Results Achieved

1. CCAGG conducted baseline validation surveys in 12 municipalities (out of a total of 27 in Abra), leaving out two due to concerns for the security of CCAGG personnel. All in all, 114 barangays were visited. The 12 municipalities covered a total of 16,572 individual beneficiaries, 4,616 households, 8,164 children aged 5-14 enrolled in schools, 3,940 children aged 0-14 that regularly visit the RHU Clinics, and 154 mothers in reproductive age. The surveys covered 34 percent of the total number of family beneficiaries in the province.

2. The survey was the primary data collection method used in this project. Using its monitoring tool no. 1, CCAGG was able to identify an additional 1,500 families that were not in the beneficiaries list to be included in it as well as 60 families that should have been excluded but were put in the list and unnecessarily received grants. The CCAGG estimated that, based on a maximum grant of P1,400 per month, the total leakage from this error would have been P4.2 million.

3. Using monitoring tool no. 2, CCAGG was able to confirm the positive short-term gains that CCTP programs are known to generate in terms of school attendance, maternal and child health, parenting, and participation in community activities. CCAGG found an 85 percent compliance in school attendance, regular medical check-ups for pregnant mothers and children, and good attendance in the Family Development Sessions. This general compliance of the conditions of the program led to positive results with regards to:

- Good performance of children in school;
- Improved health conditions of children and pregnant mothers;
- Enhanced family values and relationships;
- The development of community awareness, participation and involvement; and,
- The emergence of new leaders in the community (parent leaders).

4. Using monitoring tool no. 3, CCAGG determined how beneficiaries were using the cash grants they received. The cash grants were reportedly used as follows:

- To cover schooling expenses such as school supplies, daily allowance, payment of school contribution, school fees, projects in school, school shoes, uniform, bags;
- To meet the family's basic needs in terms of food (rice, coffee, milk, sugar) and clothing;
- To buy medicines and vitamins and to pay for checkups;
- To cover repairs to the house and to have electricity installed;
- To capitalize livelihood projects; and,
- To pay utility bills.

At the same time, problems related to the transfer of cash grants to beneficiaries were documented as well. They included:

- Delays in the receipt of the full grant amount, sometimes lasting for several months;
- No cash grant received at all by qualified beneficiaries;
- Cash grants received for a few months before completely being stopped for no apparent reason;
- Problems in the manner the cash grants were released;
- ATM cards that were lost, burned, destroyed, or stolen, and the long wait for replacement cards; and,
- The long delay in the updating of the beneficiaries list for certain changes, such as in cases of transfer of residence.

5. The parent leaders who accompanied the validating teams became familiar with how to monitor the CCTP. In addition, two seminars on People's Participation and Social Accountability were organized for 67 parent leaders to become change agents and development facilitators.

6. CCAGG used radio (the organization's own weekly radio program called "Allangugan") and print media (CCAGG's column in *Abra Today*, the diocese of Bangued's weekly publication) to disseminate the results of the project. In addition, project team members spoke at various meetings, sharing their experiences and findings.

7. Through several policy forums and dialogues involving the DSWD, CCAGG presented the findings of the project and made recommendations regarding corrections that should be made in the beneficiaries list in order to avoid leakages and on the problems encountered by beneficiaries as documented by the project. The DSWD regional director commended the report and promised to look into its findings, particularly with regard to who should be included and excluded in the beneficiaries' list. The director also recommended that the department's other CSO partners should follow CCAGG's example and utilize the same reporting format.

What worked well and what did not work well?

Monitoring the CCTP. The CCTP Watch project was able to confirm that the program has had an overall positive result that is helping poor families cope with their immediate needs while at the same time ensuring that they are equipped to deal with medium and long-term concerns such as education and health. The project also pointed out how to potentially improve the effectiveness of the cash transfer program by fixing the problems encountered in the transfer of the cash grants to beneficiaries and by further developing the potential of parent leaders to lead in strengthening public participation in the implementation of the CCTP.

Success Indicators and Community Empowerment. CCAGG cited broad indicators to show the relative usefulness of the government's cash transfer program not only in alleviating poverty but also in possibly encouraging broader public participation both by raising local community awareness and social responsibility, and by developing local leaders (parent leaders) for ensuring development outcomes through the Family Development Sessions. This building of the self-confidence and self-respect of the poor was singled out as a great achievement of the program.

Engagement with Government. A Memorandum of Agreement was signed between the CCAGG and the DSWD, which made it possible for the project to access the four basic documents that the CCTP Watch needed: (i) the beneficiary lists; (ii) the monitoring forms maintained by the Provincial Link and the Municipal Links; (iii) the lists of students enrolled; and (iv) the lists of pregnant mothers and their schedule of visits to RCUs. Without such a formal agreement, the project would have been at a high risk of not achieving its aims or of being able to implement project activities.

Development of Monitoring Tools. An important achievement of the project was in developing community monitoring and feedback tools. These tools may be used by other CSOs conducting a similar project with appropriate adjustments made for differences in context and environment. In particular, the Rapid Monitoring Tool that was developed for the CCTP Watch project enables a quick assessment of the impacts of the CCTP and is useful to identify gaps in implementation. The results of the survey undertaken through the project was extensive and was not restricted to the 4Ps alone but also covered other services/programs of the DSWD and other government agencies.

Organizing Community-based Monitoring Teams. A key component of the project, the training of community-based teams to undertake the monitoring of the 4Ps across the 14 project-focus municipalities, proved to be unrealistic. The project found that it was hard for community monitoring teams to stay in a barangay for a week and so perhaps a more realistic initiative would have been to pilot the community-based teams in a more limited number of municipalities. This would have been a useful experiment for discovering the effectiveness of community-based teams.

Policy Dialogue. The relatively limited timeframe of twelve months made accomplishment of any significant policy dialogue within the project lifespan a greater challenge for CCAGG. This is an important weakness to be recognized since effective delivery of this component is perhaps particularly needed for the longer sustainability of such projects.

Lessons Learned

The CCT Watch Project provided important lessons for further improving the 4Ps, while also validating the credibility of the program in changing behavior that leads to improvements in education and health, and the empowerment of the poor. It also confirms that public participation in the monitoring of project implementation can help the government objectively evaluate the outcomes of such projects. Such participation also contributes to the formation of positive public perception regarding such efforts.

An important bottleneck in DSWD's implementation of the project was found to be the inability of the department's municipal links (local project implementers) to cope with their case loads. While this has led to the DSWD lessening the caseloads of its municipal links, it may be that a more efficient system for delivering project services should be developed.

The supply side challenges that the effective compliance to 4Ps conditionalities depends on became apparent from feedback garnered through this project. This gives credence to various reports' contention that the program expanded too rapidly in 2011, straining the resources of

DSWD. The issue of supply side unpreparedness threatens to diminish the impacts of the program if it is not properly addressed. This issue can be explored in greater depth in future iterations of this project.

Sustainability

The CCTP Watch project has brought to the fore the important value added in developing mechanisms and tools to engage with the community to improve the effectiveness of government programs such as the 4Ps. The ways of using CSOs to build awareness of the 4Ps, to assist in engaging citizens to better target beneficiaries, and to use them to build the capacity of parent leaders, as piloted through the CCTP Watch project, are all methods that the DSWD is standardizing across the 4Ps. The tools developed by CCAGG will be particularly useful in this larger effort that can make these community-based monitoring and feedback tools a more sustainable outcome beyond the project duration.

The project noted specific areas for improvement in 4Ps implementation that could be facilitated by CSOs, such as the updating of the beneficiaries lists due to changes in the circumstances of community members. It is in meeting these challenges to effective delivery that community-based initiatives like the CCTP Watch project can have an important role. The participation of CSOs enhances the integrity of the 4Ps and builds trust among beneficiaries that can further improve their compliance with the program's conditionalities.

The wider awareness on the 4Ps created by the project through radio, print, and website will be less likely to be sustained in the longer-term without additional funding.

Case 6: Participatory Monitoring for Barangay Infrastructure and Health Projects in the Province of Isabela (CSO: INCITEGov)

Isabela is the second largest province in the Philippines. In 2008, the then provincial governor, Grace Padaca, implemented a policy that monitored and evaluated the province's Ugnayang Bayan (farm-to-market roads) project through its Special Project Office (SPO). The governor, however, wanted a closer monitoring of these projects as well as the procurement of medicines and medical supplies for the public hospitals in the province. INCITEGov proposed to create for the provincial government a participatory monitoring system that would be able to oversee the use of these funds. It received a grant from PTF to undertake such a project in 2008.

Corruption Problem Addressed and Project Objectives

The provincial government felt that its grants to the barangays through the Ugnayang Bayan were not being adequately monitored and was concerned about the efficient use of these funds. In addition, it was concerned that the procurement of medical supplies by public hospitals in the province was plagued by the incidence of emergency purchases that bypassed the regular bidding process requirements. This procurement involved millions of pesos of provincial funds that may be lost or wasted due to corruption or inefficiency.

The general objective of the project was to improve the transparency in the utilization of provincial funds allotted to municipalities and barangays for infrastructure and health projects, particularly, the procurement of medicines for the provincial and district hospitals. Specifically, the project aimed to:

Introduce monitoring and evaluation of end users to village level infrastructure and health projects

Establish standards for transparency in the allocation and utilization of public funds at the local level.

Approaches and Tools Used to Address the Problem

To address these problems, INCITEGov proposed a participatory monitoring project that would involve two types of participatory audits:

Barangay infrastructure monitoring of public infrastructure projects as they are being undertaken to avoid fund leakages and to identify inefficiencies in the process;

Drug procurement analysis which would:

- Scrutinize processes and documents in the procurement of drugs,
- Understand the reason behind emergency purchases,
- Detect cases of corruption committed.

INCITEGov initiated meetings with the Social Action Center of the Diocese of Isabela to begin to plan for how participatory monitoring could be carried out. It was decided that the project also involve the Provincial Alliance of Isabela for Justice, Democracy, and Good Governance (PAJDGG), a province-wide alliance of faith groups and NGOs, the chair of which was also the social action center's director. A memorandum of agreement among the three organizations was created defining each of their roles and responsibilities in the project.

The main activities of this project consisted of:

Training

A training on participatory monitoring designed and facilitated by INCITEGov with 70 participants from the PAJDGG and the provincial government in attendance. It provided the orientation, the technical knowhow, and the procedure that the volunteer community monitors need to be equipped with.

The monitors for the barangay infrastructure projects were trained on the CCAGG method for monitoring those types of projects. This included how-to's in observing construction of road projects, focusing on red flags, and reporting findings for greater scrutiny by engineers.

The hospital monitoring team was trained in procurement monitoring.

Organizing the Monitor Teams

Three district teams were organized to monitor projects located in the three districts of Isabela. The district teams were further broken down into municipal teams of three to five members each. The district team leader was usually an engineer.

Only two monitoring teams were created to look into the drug procurement process due to a lack of qualified volunteers. The teams were composed of two medical doctors engaged in community based health programs, a nun responsible for the community-based health program of her

congregation, the Social Action Center community-based health program officer, and the dean of a nursing school in the province.

Signing of a memorandum of agreement (MOA) between the project implementer and the provincial government and the formal launching of the project with orientations conducted in the project areas.

Monitoring

Eighteen infrastructure projects were examined consisting of 15 Ugnayang Bayan projects and three provincial roads. The projects cost a total of over 13 million pesos.

Procurement monitoring was organized for two provincial hospitals, the Faustino Dy Provincial Hospital and Cauayan District Hospital.

Holding of a workshop to synthesize the monitoring results and formulate recommendations for the Governor.

Results Achieved

Two “problem solving sessions” between the PAJDGG and provincial government representatives were conducted in which the results of the monitoring were discussed. Regarding the Ugnayang Bayan projects, it was reported that:

Roads were being constructed through "bayanihan" or shared labor, which was the counterpart of the barangay.

Funds released for project implementation were used to pay loans contracted by barangay captains to build the roads before the appropriated funds became available.

Certain construction practices and standards to ensure quality were not observed, apparently as a way to extend the roads over a longer distance than the available funds could cover.

On the hospital monitoring, the session was mostly to clarify the procedures and documents used for procurement. The issue of emergency purchases remained contentious, however.

The monitoring report also noted that:

- the Annual Procurement Plan (APP) and the actual purchases of the two respondent hospitals were not consistent with the PNDF.
- many doctors in the two hospitals found it hard to follow the Generics Act of 1988 that requires them to prescribe generic drugs using the PNDF.
- discrepancy was noted between the APP and actual purchases.
- there was no clear-cut policy on the standard usage of emergency fund.
- increasing emergency purchases was attributed to the delayed delivery of drugs and medicines to the hospitals.

What worked well and what did not work well?

Volunteer Training. The fact that the project was able to train 70 volunteers to monitor provincial government projects achieved part of the project objectives. The monitoring of selected infrastructure and health projects by the volunteers resulted in an interaction with and exposure to the government personnel involved in these projects. In the process local government personnel became used to community members attending and asking questions during the Ugnayan ng Bayan (community assembly) sessions. Both parties appear to acknowledge and appreciate the importance of transparency and accountability and the participation of community members in these projects.

Meeting Project Objectives. The project, however, failed to meet its objectives of setting up a monitoring system and establishing standards for transparency and accountability. Its lone accomplishment was the training of community volunteers who could look into barangay infrastructure projects and hopefully be able to determine if anomalies were being committed.

Lessons Learned

The project showed that training and deploying volunteers is not sufficient to sustain the monitoring of government delivery of services. More efforts should be put into designing systems that ensure sustainability. The fact that INCITEGov is based in Manila and relied on local partners in distant Isabela province to implement the project may partly explain why insufficient effort was put into creating more durable monitoring systems.

In addition, the INCITEGov noted the following lessons that it drew from its experience in this project:

The recruitment of community volunteers is not easy as volunteers are often fearful of authority, have limited skills and previous experience, and lack the confidence to do monitoring work.

LGUs and the teams that are supposed to monitor them should be jointly orientated so that they equally understand the needs and implications of the undertaking.

There is a need to involve the community in data gathering, planning, implementation, and evaluation as members can provide insights and other knowledge regarding local projects.

The level of vigilance of community volunteers in monitoring projects creates conditions that make corrupt practices vulnerable to discovery.

Partnerships between LGUs and NGOs maximizes the efficient and effective use of resources.

The project relied on the fact that Governor Padaca championed the project. Its failure to set up standards and systems for project monitoring, however, weakened any prospect of sustaining the monitoring effort when the governor was forced to step down at the end of 2009. In the words of the PCA, “seemingly strong political support can evaporate quickly.”

Sustainability

Some of the conditions for sustainability were put in place, such as the mobilization of local CSOs, the cooperation with local agencies and LGUs, and the training of local monitors. However, the project’s ability to sustain itself was severely put into question when Governor Padaca was forced

to step down. In addition, the project's failure to set up a monitoring system and to institutionalize community monitoring through a local ordinance contributed to this weakness in sustainability.

Case 7: Harnessing Multi-Stakeholder Efforts to Promote Transparency and Accountability in the Department of Agriculture-Region 7 - Subay Agri Tayo Project (CSO: PhilDHRRA)

The Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA) is a national network of non-government organizations (NGOs) that seeks to build the capacity of its members to become relevant and self-reliant in order to address agrarian reform and rural development in the countryside, and thereby contribute to national transformation. In September 2010, PhilDHRRA Visayas availed of a grant from the Partnership for Transparency Fund (PTF) to undertake budget monitoring of the Department of Agriculture (DA) with Region 7 as pilot area. The project was an action research and advocacy program with the overall goal of contributing to the establishment of an environment that is transparent and accountable in the provision of support services by the DA.

Corruption Problem Addressed and Project Objectives

The project intended to address the problem of corruption within the Department of Agriculture (DA) and particularly its trading and marketing arm, the National Agribusiness Corporation (NABCOR), in which anomalies were supposedly committed in its procurement and distribution of farm inputs. There was also mention of problems in the quality and actual delivery of support services, such as farm-to-market roads and post-harvest facilities.

The project aimed to reduce corruption by increasing transparency and accountability in the operations of the Department of Agriculture in Region 7, covering the four provinces of Cebu, Bohol, Negros Oriental, and Siquijor. It had five specific objectives:

- Mobilize civil society organizations to monitor the provision of services by the Department of Agriculture;
- Monitor the provision of farm-to-market roads, post-harvest facilities and farm inputs funded in the 2009 budget;
- Conduct capacity building activities on the budget process;

- Raise the awareness of stakeholders in using Commission on Audit reports as monitoring and advocacy tools; and,
- Formulate proposals and action points for the Department of Agriculture to improve budget transparency and accountability in the provision of services.

Approaches and Tools Used to Address the Problem

To accomplish these objectives, PhilDHRRA used a field monitoring approach to examine the status of projects in 2010 that the DA had allocated funds for in its 2009 for Region 7.

The main activities that PhilDHRRA undertook consisted of:

Mobilizing within its network five NGOs and one people's organization to monitor widely dispersed projects in the region. PhilDHRRA also succeeded in developing working arrangements with the government agencies that were involved in these projects, namely, the DA, National Irrigation Administration, Department of Public Works and Highways, and Commission On Audit. Consistent with the two letters of support DA wrote to PTF in August and September 2010, DA gave considerable cooperation for the Project and involved their senior staff at both the regional and the provincial levels.

Developing field-monitoring instruments and training the field monitors. A total of 304 projects in Region 7 were monitored, which represented 34% of the 905 projects implemented in Central Visayas under the 2009 DA budget.

Organizing two public fora in order to familiarize CSOs on the DA budget process, on how CSOs could participate in monitoring it. The output of the first forum was the identification of ways for civil society participation in the DA budget cycle. The second forum identified some actions which ought to be pursued, namely: (i) continue the monitoring of ongoing DA projects; (ii) conduct research on a bigger program at the national level or the DA head office; (iii) continue the monitoring of agricultural support services focusing on the impact of assistance on the life of target beneficiaries; and (iv) mainstream the efforts at the local level by partnering with the communities.

Popularizing the use of COA reports for monitoring through the creation of a primer and handouts on the budgeting process.

Undertaking a joint validation of projects the monitoring results of which were contested by the DA. These consisted primarily of farm-to-market roads that were implemented by local governments with whom the project was not designed to engage.

Results Achieved

Delivery of services. PhilDHRRA mobilized five NGOs and one people's organization to participate in the project by providing the field personnel for the monitoring. They inspected 304 projects, consisting of 117 farm-to-market roads, 77 communal irrigation systems, 23 barangay bagsakan facilities, 47 post-harvest facilities, such as dryers, and 40 Livelihood Enhancement for Agriculture Development projects (grants for small farm enterprises).

A majority of the communal irrigation projects in the provinces of Bohol, Cebu and Negros Oriental were found to be in good condition, but this was true for only a fifth of the projects in Siquijor. However, half of the farm-to-market roads in Siquijor were in good condition as were 70 percent of them in Bohol; only about a third, however, were in this condition in both Cebu and Negros Oriental.

The results for the Barangay Bagsakan, LEAD, and post-harvest facilities were much better, with most of them functional and on-going, except for Cebu where less than a fifth of the post-harvest facilities examined were functional.

When a report of the results was presented to the DA, the department questioned some of the results and asked that a validation be conducted. Eight projects were revisited jointly by project personnel and people from the DA and the implementing agencies. The department expressed its appreciation of the monitoring conducted and said that it would help it improve future implementation.

Capacity building. Capacity building was accomplished with the conduct of two forums. The first familiarized the 47 participants, mostly from civil society, with the DA's budgeting process and identified venues for continuing CSO participation in that process. The second forum enabled PhilDHRRA to share its experience with 39 participants whom PhilDHRRA hoped would be inspired to conduct similar monitoring efforts. It also identified possible next steps to take.

Training of monitors. The training of field monitors on tools for gauging the status of various government projects, including roads and other facilities, as well as programs such as the LEAD. Field monitors received a one-day orientation on how to use the monitoring tool. Representatives from the DPWH and the NIA also oriented the field personnel on how to examine road projects and irrigation facilities, respectively.

Familiarization with COA reports. Production of a primer on COA reports and information on government budgeting were handed out to forum participants.

Recommendations for DA. PhilDHRRA conducted several consultations with its local partners at which recommendations for the DA were generated after discussions regarding the project results. One recommendation was for the government to refrain from only partially funding projects, which meant that they could not be completed. A second recommendation was for DA to strengthen project monitoring and assessment. A third was to keep updated records of projects, and a fourth was to strengthen coordination between DA and other government agencies that it depended on to implement its projects.

What worked well and what did not work well?

Engagement with Government. PhilDHRRA was able to establish a cooperative relationship with the DA and other government agencies. This official support is crucial for success in implementing anti-corruption projects. On the other hand, involving the DA in the project's planning stage could have alleviated some of the problems encountered such as obtaining project records that were not up-to-date. Also, there could have been better coordination and engagement with LGUs,

particularly as they implemented some of the projects, such as the farm-to-market roads, which may have provided the field monitors with feedback and insights on these projects.

Engagement with Other Sectors. PhilDHRRA was able to convince a good number of regional CSOs to participate in the project and provide the needed field personnel. However, there did not seem to be participation from the media and the academe as envisioned in the objectives.

Monitoring Process. Monitoring such a large number of projects represents a significant achievement, particularly given the fact that the projects were scattered over a large area and were sometimes difficult to reach. This effort made a good impact on the DA, which committed to set up its own project monitoring team. However, the field monitors did not receive sufficient training on the monitoring tools and the time allotted to monitoring seemed too short in order to cover the widely dispersed project sites. They also complained that the allowances given them were insufficient to cover field costs.

Capacity Building. PhilDHRRA was able to familiarize NGOs with the DA's budget process and build interest among them to engage in monitoring government. However, no specific commitments on using this knowledge to further engage with the DA in order to improve transparency was made. Also, while information on the COA reports was handed out, there was no follow-up on how these reports could be used in battling corruption.

Appropriateness of Objectives to Problem Addressed. There seemed to be a mismatch between the problem as originally formulated by PhilDHRRA and the project objectives as stated in the final project proposal. The problem had been defined as corruption in NABCOR's procurement and distribution of farm inputs, but the project turned out to be essentially a one-time assessment of project implementation and did not include monitoring of NABCOR.

Measuring Impact on Corruption. Monitoring of project implementation may contribute to discouraging corruption and promoting transparency, but it is difficult to measure its effect on corruption reduction. This reflects the lack of a logical framework in the Project Proposal that clearly links inputs to outputs, outcomes and the ultimate objective of reducing corruption, and the associated verifiable indicators.

Dissemination of Results. PhilDHRRA was able to conduct a dissemination activity even though it was not part of the project design. PTF did well to allow PHILDHRRA to do this as it is an essential follow-up to these kinds of intervention activities. Dissemination is a way to show people that democratic institutions can work, that there is a way to hold government and public officials to account, and that the exercise of these rights can bring positive results in terms of improved public goods and services. It is also a way to garner public support for the reforms sought as a consequence of these activities, a process that usually stretches into the future, way after the end of a project.

Lessons Learned

For PTF:

Enhanced Project Screening. PTF should carefully screen project designs prior to approving grants to ensure that the inputs and outputs are consistent with the description of the corruption

problem. There should be a plausible link from inputs and outputs to outcomes that will have an impact on reducing corruption and verifiable indicators identified that can be used to assess the progress achieved in reducing corruption. These should be summarized in a well-defined logical framework.

Sustaining Pilot Projects. A pilot project, as in this instance, must be provided sufficient funds to finance subsequent phases. Otherwise what was learned may be lost and the desired impacts are unlikely to be achieved or to be sustainable.

Importance of the Memorandum of Agreement (MOA). The project experience underlines the importance of having a signed MOA that sets out the responsibilities of both the government agency and the civil society organization.

Financial Audits. In the future, PTF should consider whether PTF-financed audits should be undertaken of randomly selected projects to demonstrate to the PTF Board and the donors that the funds were used for the purposes intended.

For PhilDHRRRA:

Problem Definition and Design. The project could have been designed to include fewer projects, but with more intensive monitoring covering the entire project cycle and including NABCOR projects. This would have required the involvement of local government units from the outset, the provision of more training for field monitors, and fine tuning the field monitoring instruments based on feedback from the monitors.

Early Involvement of Government Agencies. The implementing agencies should have been involved from the beginning so they could have shown how project implementation and funding allocation systems work, ensured that the information on which the monitoring was based was up-to-date and accurate, established mechanisms to resolve issues that arise, and taken action on the problems identified by field monitors.

Selecting the Projects to Be Monitored. At the beginning of a project, agreement should have been reached with the concerned government agency on the list of all projects funded in the budget. Then the subset to be monitored, consistent with available resources, could have been selected randomly to ensure that there was no bias in the sample of projects monitored. There should also have been agreement regarding the tools to be used and the indicators to be applied. It was crucial that the field personnel were thoroughly trained in the tools they were going to use for monitoring.

Commission on Audit Involvement. Given its mandate, a more active role for the Commission on Audit should be considered for future projects of this type.

Sustainability

PhilDHRRRA seems to have gained good experience under this project. The fact that the DA supported the project, prepared a detailed response to the report of the field monitoring, and expressed a desire to institutionalize an in-house monitoring team and to expand the scope of future monitoring to cover all projects in the region are all signs that CSO initiatives of this nature

would be welcomed. However, sustainability is uncertain because of the need for PhilDHRRA to mobilize funds to finance the cost of the next phase.